



WESTERN AUSTRALIA

# **Parliamentary Debates**

**(HANSARD)**

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LEGISLATIVE ASSEMBLY

Thursday, 9 September 1999

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**THE SPEAKER** (Mr Strickland) took the Chair at 9.00 am, and read prayers.

## **NON-RESIDENTIAL BUILDING PROGRAM 1999-2000**

*Statement by Minister for Works*

**MR BOARD** (Murdoch - Minister for Works) [9.04 am]: I inform the House of the State Government's \$397m non-residential building program 1999-2000. Over the past seven years the non-residential building component of the capital works program directed towards government projects has increased by 53 per cent, at an average rate of 6.5 per cent per annum. The social infrastructure provided by the non-residential building program supports the community, particularly in the areas of education, health, justice and law and order. The projects involved are aimed at enhancing the quality of life for all Western Australians through increased infrastructure and by producing more jobs and stimulating economic growth.

The non-residential building program, which is up by \$59m on last year's allocation, is a vital means of work for the State's building industry and is fundamental for the general economy. Industry estimates are that every \$1m spent through the non-residential building program results in employment opportunities for at least 20 Western Australians. This program generates direct and indirect employment for around 16 000 Western Australians in the construction industry, which is responsible for around 31 000 jobs in this State. The Government has responded to the cyclical nature of the construction industry by increasing its construction program in a period of industry downturn. Predicted 1999 activity is down by almost 30 per cent from its peak in 1998. Reflecting this downturn, the Government's capital works program is expected to provide around 50 per cent of the non-residential building industry activity in WA this year.

Many of the major builders who are winning government contracts employ very little, if any, in-house labour. As a result, the majority of work involved in the construction of non-residential buildings is completed by small local businesses. Nearly 20 per cent of all small businesses in Western Australia are in the construction industry, and almost half the projects in 1999-2000 will cost less than \$500 000 and will be built by the two smallest categories of builders involved in government projects.

One of the most important aspects of the non-residential building program is the work that it brings to regional areas, and this year the regions represent around 30 per cent of the projects. Important works included in this year's program include the \$22m Shenton College - the new high school to replace Hollywood and Swanbourne Senior High Schools, for which building tenders are due to be awarded in mid-September - the \$12.5m stage three of the Broome District Hospital, the \$45m police academy at Joondalup, the \$80m Acacia Prison in Wooroloo, and the \$22m second stage of the Peel Senior Campus.

The 1999-2000 non-residential building program has been published in this easy-to-read report. The report contains short descriptions of each project and budget details. The projects have been listed under both ministerial portfolios and Legislative Assembly electorates. Non-residential building projects provide valuable community based infrastructure, thereby enhancing the quality of life for all Western Australians. The Government, assisted by the Department of Contract and Management Services and client agencies, strives to ensure new public buildings are provided in the most cost-effective way. The \$397m plan will provide a major boost to the construction and building industry in Western Australia.

I will send every member of this House and the other place a copy of the residential building program report, which will be tabled in this House next week.

## **KARRATHA AIRPORT FIRE SERVICE**

*Grievance*

**MR RIEBELING** (Burrup) [9.07 am]: My grievance is not against the Government, but attempts to enlist the Government's support in efforts to stop an action of the Federal Government. I apologise if I am hard to hear, but I still have the flu. Moves are afoot to close down the fire services at Karratha Airport. Talks with China are currently taking place in Canberra, and I am sure that the Deputy Premier hopes some announcement will be made about liquefied gas emanating from Western Australia to the Chinese market. Karratha will be the hub of that development if that eventuates, and the volume of air services through Karratha Airport will increase dramatically. We hope that the State Government will lend its voice to calls for the air service, the only one provided by the Commonwealth in the north of the State, to be retained.

The level of aircraft traffic at the airport is under an artificial line drawn by the Civil Aviation Safety Authority in determining such matters. A review is taking place of the volume of traffic which justifies an air service of this type. That review is due to report to the Civil Aviation Safety Authority in June of next year, and the move to close the fire service is pre-emptive of that review.

We are of the view that the proposal to remove the fire service is based purely on economic grounds and it has nothing to do with safety. It is of great concern to the people of the north and regional Western Australia that the only fire services in Western Australia that will remain will be those in Perth. That concerns people such as me who fly on a regular basis.

It is important to note that not only fixed-wing commercial aircraft fly into Karratha Airport. It is the busiest helicopter airport in Australia outside military heliports. There is a mixture of air traffic that is unique to Karratha. The offshore oil industry is reliant upon the movement of helicopters. As I said, it is the second busiest heliport in Australia. The only one that is busier is a military airport. That mix presents additional dangers to the likelihood of an aeroplane accident. The

problem for the air services is that Australia is relatively safe in terms of air accidents. That does not mean that we should not be vigilant to ensure that protective services are put in place at the busiest airports so that if there is conflict or a crash we have the services to respond. To have no services between Darwin and Perth leaves a large gap in protective services. I have been advised by experts that if there is no response to an air crash within three minutes, there is no point in bothering; the first three minutes are the most vital.

Eighty per cent of all accidents occur within a five kilometre radius of airports - with planes taking off and landing. It is vital to have in place the protection of fire services. The shire and the State Government know that the future of the Karratha air service is vital for the development of the State. The shire has invested \$12m over the last six years in upgrading the air services. Qantas Airways Ltd and Ansett Australia have said that they intend to fly larger aircraft into Karratha. The shire also wants to attract overseas flights into Karratha. The extensions to the airport, which the Deputy Premier has seen, have been built so that the Australian Customs Service can operate in conjunction with international flights. Not having a fire service would reduce the chances of Karratha having international flights. Therefore, as I said, the shire has invested \$12m to improve the air services, not reduce them. Only Qantas and Ansett will benefit from a reduction in costs and they are keen to reduce costs. I will bring to this place next week a petition signed by approximately 1 000 concerned residents. I will direct the petition to the Federal Minister for Transport. Active involvement by the State Government at the moment is the only thing lacking. The State, through the Deputy Premier, should advise the Commonwealth that the removal of the fire service at Karratha Airport is a backward step and that the services should be retained because of what is likely to happen in the Pilbara region, as I have done by letter. If the Deputy Premier lends his support to that call, the federal minister will defer a decision until the review is completed. The intention to remove the service is crazy. The review may recommend more services and it will cost much more to reproduce them than to retain the current service.

**MR COWAN** (Merredin - Deputy Premier) [9.14 am]: I have noted the comments made by the member for Burrup. I assure him that now that he has alerted me to the situation, I will take it up under my responsibilities as Minister for Regional Development. I will also ensure that I liaise closely with the Minister for Emergency Services and the Minister for Transport who also have responsibility for airport provision in regional Western Australia.

I have had dealings with the Civil Aviation Authority in Canberra based on our attempt to identify Western Australia as a suitable area in which to conduct flying training. I know that it is difficult to convey our needs to the relevant authorities and to get them to provide undertakings for services or financial assistance, whether it be navigational aids or whatever. We have found it difficult to get cooperation from commonwealth authorities.

It is true that Karratha is growing in stature and in air traffic. There is no doubt that, sooner or later - we would prefer sooner - the development of other offshore gas fields is likely to occur and that will involve the movement of a large number of personnel staffing those platforms. That would mean that helicopter and fixed-wing air traffic will increase. Therefore, the elimination of the current emergency services when air traffic numbers are increasing would be short-sighted.

The best I can say is that I will liaise with the member for Burrup and take the issue up with the federal authorities and with the Federal Minister for Transport, my colleague, the Deputy Prime Minister, Hon John Anderson, to see whether the decision can be reviewed to keep the emergency fire services in place.

## **EASTERN HILLS SENIOR HIGH SCHOOL**

### *Grievance*

**MRS van de KLASHORST** (Swan Hills - Parliamentary Secretary) [9.17 am]: For the past six years I have been attempting to get a school police person based at the Eastern Hills Senior High School. I have asked questions in Parliament on this issue before and I have a file of letters corresponding with the school and various Ministers for Police. The purpose of having a police presence at the school is to foster positive relations between the Police Service and the school community because on most occasions, the only time that young people come into contact with police is under negative circumstances. A police presence would be positive in creating a balance between proactive and reactive policing strategies within the school. It would also provide ready access to police services in the school community. Eastern Hills High School is more than 5 kilometres from the nearest police station. The presence would also provide positive role models to youth, helping them develop a good attitude towards the law.

That would be achieved by stationing a police person at the school. That person would liaise with students, staff and families. The person would also work with the feeder schools. There are eight feeder primary schools for this high school: Glen Forrest, Mundaring, Parkerville, Mount Helena, Sawyers Valley, Gidgegannup, Chidlow and Wooroloo. In 1998, the combined school population was 2 299. That is sufficient justification for such an appointment when one considers the service and support such an officer could facilitate within the school. The officer could educate students about road safety, drug awareness, stranger danger as well as many other topics.

The school principal and staff have been urging that this particular police officer be appointed to the school. I was pleased to learn that we had finally achieved our goal at the beginning of this year, or I thought we had! We shared a police officer with the Swan View District High School; he spent three days there and two days at Eastern Hills Senior High School. The problem is that, even though the local Mundaring Rotarians raised a considerable amount of money to achieve that goal, the police officer has now been withdrawn. That is why I am standing here now raising this grievance. The Rotary group, parent groups and other local community members have asked me why that police officer was removed. They are extremely disappointed that, after lobbying for six years, the officer was seconded for only the first six months of this year. I have letters on this issue that date back to 1993.

I raise this grievance to ask the minister's assistance in having a police officer stationed at the school to service the students

at the Eastern Hills Senior High School, which is a fairly isolated school, and the many feeder schools. Approximately 250 police officers are attached to schools throughout Western Australia, and the Eastern Hills Senior High School should make that figure 251.

**MR PRINCE** (Albany - Minister for Police) [9.21 am]: I understand that as proxy for you, Mr Speaker, I should congratulate the member on having schools in her electorate because I suspect that you no longer have any in your electorate!

The **SPEAKER**: We will have a school for the next three months.

Mr **PRINCE**: I say that somewhat tongue in cheek! I am very sympathetic to the views of the member. I am also a strong advocate of school-based police officers in large schools. We cannot justify placing an officer within a small school.

Mrs van de Klashorst: Eastern Hills high school has 1 300 pupils.

Mr **PRINCE**: That is about the standard size, large enough to warrant a school-based police officer. The member has been persistent, to put it diplomatically, in trying to achieve this aim. I am unable to command that a school-based police officer be placed in the Eastern Hills Senior High School. Of course, I can discuss it with the Commissioner of Police. In fact, in a few minutes I will be meeting the deputy commissioner, who is Acting Commissioner of Police while the commissioner is on a tour of the Kimberley. I will put the request to him again.

Earlier this year a temporary additional police officer was allocated to the Midland police district as a school-based officer for the high school. It was not a permanent appointment; it provided the opportunity to use somebody in that position until the permanent position to which the officer was allocated became vacant and he or she took up that permanent position. Placing the officer at the school was only a temporary exercise.

As I said, I will take up the case again with the commissioner. Of course, it is within the commissioner's ambit and power to allocate police officers everywhere in the State. In the opinion of the Midland police district command team and of police headquarters, officers are being used on the ground, as they should be, to meet the most urgent needs. Sadly, perhaps, school-based policing is not seen to be as important as some of the other needs in the police district of the member for Swan Hills.

Mrs van de Klashorst: It is a preventive strategy.

Mr **PRINCE**: I appreciate that. However, policing is always a matter of balancing the need for reaction against the need for prevention. In the light of activity in the Midland area we can understand why the police give a higher priority to reacting to crime and simply do not have the personnel available to allocate somebody to the school. However, as I have said on three occasions, I will take up the matter almost immediately with the deputy commissioner and we will see what we can do.

Mr **Board**: Where there are school-based officers there is a very high incidence of police ranger cadet programs, which are in the interests of the police force as well as the community.

Mr **PRINCE**: I am obliged to the Minister for Youth for adding another piece of ammunition to the armoury that I will take to the deputy commissioner.

Mrs van de Klashorst: I also thank the Minister for Youth.

#### **CENTRAL WAIT LIST BUREAU, MRS EDNA GREEN**

##### *Grievance*

**MS McHALE** (Thornlie) [9.24 am]: I am grieving this morning to the Minister for Health, who is in the House somewhere. I hope he hears my voice and comes into the Chamber. I am grieving on behalf of Mrs Edna Green, an elderly constituent of mine, who has asked me to raise her difficulties in Parliament. Her case highlights how the Central Wait List Bureau has not worked. A trial may be in place to reduce waiting lists that might be of some use, for instance, for procedures such as vasectomies and ingrown toenails. However, does it work for more substantial procedures?

Nine years ago Mrs Green had a hip replacement operation on her right hip. Two years ago her left hip deteriorated badly. Last October she was placed on the waiting list and was told that the waiting time would be between two and two and a half years. Over Christmas her hip deteriorated markedly and had to be reassessed for urgent surgery. She was told that the waiting time would still be in the order of two and a half years. She rang the Central Wait List Bureau in April this year and was offered an appointment at Sir Charles Gairdner Hospital on 28 June 1999. A week after that appointment had been made, Sir Charles Gairdner telephoned and cancelled the appointment saying that all Royal Perth Hospital waiting list patients had been cancelled. She was told again to ring the Central Wait List Bureau and was offered the opportunity of going to either Mandurah or Joondalup hospitals. My constituent lives in Thornlie so she chose Joondalup, which for her and her husband is quite a distance away; nevertheless, she needed the surgery. She had a consultancy visit on 15 June and was booked in for surgery on 23 August at Joondalup hospital and an anaesthetist's appointment on 12 August. Seven to 10 days later the surgery was postponed, although she was told to retain the anaesthetist's appointment. He did not know that the surgery had been cancelled. As I said, the surgery was postponed without an alternative date being provided. On 2 September, a week and a half ago, she was told that her surgeon would be absent for a number of months for medical reasons and it would be several months before the operation would be undertaken. That put her operation in a time frame of about November - well over the 12 months. All this time, Mrs Green has been in severe pain and barely ambulant. When she came into my office it was obvious how painful her every move was. At that time Mrs Green's distressed state was obvious to the people at Joondalup Health Centre and apparently the people there telephoned her back half an hour later to

say that another surgeon would take on her case and that she would hear from them in due course.

She came to see me on Monday and I rang the new surgeon's suites to find out what was happening but his staff knew nothing about Mrs Green. It was a further setback to discover that no communication had occurred either between the surgeon's rooms or the hospital. She was told she would need an initial consultancy visit and would not be able to see the new surgeon until November because he was fully booked until then. When I rang Mrs Green yesterday she told me that she had been given an appointment for 21 September for a consultancy visit when the surgeon will assess her. Following that she will be on his waiting list.

Mrs Green has asked me to raise this with the minister for a number of reasons. The first is that she is in severe pain and is increasingly depressed. She used the word "cynical" yesterday. We cannot become cynical about the health of our citizens, particularly our older citizens. She believes that she has been passed around from one waiting list to another. She feels that the people she has dealt with have been supportive and courteous, so she is not unhappy with the staff. However, she feels that the process and the system that she has been forced to experience have let her down. If Mrs Green goes to Joondalup, distance will be a concern. Her husband, who is nearly 80, cannot drive. It will be quite a trial for him to travel to Joondalup to visit his wife. It will take him virtually all day. They are prepared to do that because Mrs Green needs the surgery. However, distance is another aspect of the difficulties in not being able to go to a central hospital.

I grieve to the minister to ensure that Mrs Green will not be subjected to any further delays. She has already experienced unacceptable delays. There may well have been reasons that the surgeons cancelled the appointments. However, overall, the picture is that she has now suffered severe pain for nearly three years, and I want to ensure that she does not suffer any further.

**MR DAY** (Darling Range - Minister for Health) [9.31 am]: The example of Mrs Green that has been given by the member for Thornlie is a good example of the purpose for which the Central Wait List Bureau was established in the first place. Certainly I am concerned if a number of her appointments have been cancelled, and I will investigate the circumstances to ascertain what is behind the problem.

Essentially, the Central Wait List Bureau is reliant on specialists being able to meet their commitments and to see patients for whom appointments are made. Obviously on some occasions there will be good reasons for appointments being cancelled or rearranged. In other cases perhaps there will be less cogent reasons. However, whatever the case may be, the Central Wait List Bureau is obviously dependent upon specialists being able to see the patients who are booked in to see them.

I think the member said that Mrs Green was originally listed for surgery in about October last year. When compared with the two and a half years that she was originally told she would be required to wait, the fact that her surgery will be carried out soon is a good example of the benefits of the Central Wait List Bureau. She is now facing the prospect of having her surgery within a year or so, which is obviously a much better outcome than if she had been required to wait longer, albeit that we would like to get it done even sooner.

As I said, the Central Wait List Bureau was established to offer patients surgery at an earlier time at a hospital other than the one at which they may have been on a waiting list. There are many examples of patients who have been assisted through the operations of the bureau and by the staff who work there. The staff of the bureau and I have received many letters of appreciation from patients who have received their treatment much earlier than they expected.

**Ms McHale:** When Mrs Green was listed at Sir Charles Gairdner Hospital for June, the hospital cancelled the appointment, saying that the appointments of all Royal Perth Hospital patients were being cancelled. Why would that occur?

**Mr DAY:** I do not know what the specific reasons were. That occurs from time to time. About three weeks ago there was a partial power failure at Sir Charles Gairdner Hospital, and on that day, unfortunately, all elective surgery at the hospital had to be cancelled. That happens from time to time. I do not know whether there was a problem similar to that on that day or whether there was a longer term problem or reason that the hospital had to rearrange some surgery. However, I will endeavour to find out.

It sounds promising if Mrs Green now has a definite appointment with another surgeon. Obviously, I am keen that that appointment be kept and that she be assisted as much as possible. I will investigate the case and do whatever I can to ensure that there are no further unreasonable delays.

As I said, the Central Wait List Bureau was established to offer patients surgery earlier than they might have expected, and to make better use of our public hospital resources. It is the case that there has been much more of a focus on surgery being provided at our teaching hospitals, but that has led to much longer waiting lists there as well. The reality is that in many cases the surgery can be performed at some of our outer metropolitan hospitals equally well as at the teaching hospitals. It is clearly commonsense to make better use of the facilities there so that we can even up the waiting lists around the metropolitan area and, indeed, around the State.

The Central Wait List Bureau was also established to audit waiting lists. It is clear that in the past some patients were double counted in some cases or listed on more than one waiting list. In other cases they have remained on a waiting list when they no longer require surgery because their circumstances have changed or because they have had their surgery undertaken in the private system. We must remember that a significant number of patients who are privately insured seek access to the public system, and in some cases they decide after a certain time that they will make use of their private health insurance after all.

Another general purpose of the Central Wait List Bureau has been to provide much more accurate and up-to-date information

to general practitioners and surgeons about the waiting times in public hospitals for particular categories of surgery. There is now a great deal of contact made with the bureau by general practitioners particularly so that they can best advise their patients on the hospitals at which they can have their surgery undertaken at the earliest opportunity.

I am pleased to advise that, as at the end of August, there has been a further reduction in the number of people who are on waiting lists for the teaching hospitals in the metropolitan area. The number has fallen to 11 992. That is at its lowest point since March 1996, about three and a half years ago, when the figure was 11 660. Therefore, we are making very good progress in getting a greater number of people treated in our public hospital system than has been the case in the past.

Ms McHale: Are you able to say what has happened to the waiting times of people in, say, category 3 particularly?

Mr DAY: I do not have the information about specific categories. However, I have the median waiting time for elective surgery, and there is good news there as well. The median waiting time has fallen to five months, and that is at its lowest point since August 1997; in other words, it is at its lowest point for two years, when it was also at five months. The amount of time that people must wait is the most important figure as opposed to the actual number of people on a waiting list. We are making good progress in getting that waiting time down.

Ms McHale: Mrs Green has waited twice that length of time; she has waited for 10 or 11 months.

Mr DAY: It depends on the category of surgery.

### JOONDALUP TRAIN STATION CAR PARK

#### *Grievance*

**MR BAKER** (Joondalup) [9.39 am]: My grievance is directed to the minister representing the Minister for Transport and relates to the ongoing need for the establishment of a car parking facility at or adjacent to the Joondalup train station in the heart of the Joondalup central business district. The minister may be aware that I first raised the need for this facility in September 1997 during the course of a grievance to the Minister for Lands, who is the minister responsible for LandCorp. At that time I decided to raise this issue with that minister, rather than the Minister for Transport, because LandCorp was then a 50 per cent joint venture owner in the Lakeside Joondalup Shopping City.

Since that time, LandCorp has sold its interest to a commercial entity. Therefore, LandCorp no longer has a direct or immediate interest in the land occupied by the Lakeside Joondalup Shopping City. The other reason I directed my grievance to the Minister for Lands was at that time a substantial tract of land was available for the purposes of a car park adjacent to the shopping centre to the west of the train station. This tract is still available. It is not being used and consists of some five hectares of parkland. I understand the land has been earmarked for development of stage 4 of the shopping centre but that seems to be at least 10 years away. At that time, the Minister for Lands advised the House that as far as back as 1990 Westrail's policy on this issue was to develop a Park 'n' Ride facility in conjunction with the train station. It seems that at the outset the long-term plan for this train station was to develop a Park 'n' Ride facility adjacent to the station. What has changed since then? Nothing has changed; nothing at all. In response to my grievance two years ago, the Minister for Lands advised that the policy proposal included a 200-bay Park 'n' Ride facility and I understand the facility was to be located immediately to the west of the land controlled by Westrail. I also understand that, in addition, the shopping centre owners confirmed that some of their land was available for temporary use as a car parking facility and that they would agree to provide that land on a commercial basis but only for five or so years pending the development of this 200-bay car park. At that time, the Department of Transport, LandCorp, Armstrong Jones Management Ltd and the former City of Wanneroo agreed in principle to share the costs of constructing this much needed 200-bay car parking facility. I understand that estimates were obtained and the estimated cost of this facility was some \$300 000 or just over \$1 000 per car bay. In the conclusion to his response to my grievance, the Minister for Lands stated -

We will be able to provide that facility . . .

Upon any reasonable construction, that was a firm commitment. It was not said to be conditional upon anything although it was understood that further negotiations would be necessary to secure a deal and put the issue to bed. The Minister for Local Government may recall that I raised this issue with him in March of last year in a question without notice in which I sought from the minister a brief report concerning the progress of negotiations about the construction of this important car parking facility. In his response, the minister said that negotiations were continuing and he went on to say that the interested parties were still negotiating and it seemed that the sticking point was the nature and extent of the various contributions being sought from the interest groups to realise the \$300 000. At that time there was no indication that the facility would not proceed or that the other minister's statement of almost a year before was no longer the case.

As I have previously indicated on so many occasions in this place, this issue will not go away - this facility is needed. The Minister for Local Government may be aware that two weeks ago I met on site with senior representatives of the Minister for Transport's office to look at the possible alternative sites available to establish this facility. Several sites are available for this. The most obvious is the land immediately east of the train station which is owned by the Lakeside Joondalup Shopping City and is currently unoccupied. There is also the possibility of using the new 50-bay car park which is part of the recently opened extensions to the Lakeside Joondalup Shopping City. A third possibility is to use land owned by the City of Joondalup upon which the Joondalup City Wolves basketball stadium is presently situated. I understand the lease in favour of that sporting group will expire in three or five years' time and that the City of Joondalup has not yet decided what to do with that land. The obvious thing the city can do is allow the land to be utilised for the purpose of constructing this Park 'n' Ride facility. This is an ongoing issue. It is possible that part of the shopping centre car park can be leased or licensed to Westrail for use by train commuters.

I have said time and again in this place that the problem with the station is that it is not located in an urbanised area. The Joondalup region is heavily urbanised but this station is located in the middle of a commercial rather than an urbanised area. The nearest urbanised area is about 1 kilometre away and 1.5 km away by road. It is all well and good for Westrail to say that it cannot see the problem and ask why commuters do not hop on a bus, travel to Joondalup and jump on a train but it is not that simple because the bus timetables for the routes which terminate at or pass by the train station are inadequate. This issue must be addressed urgently. It will not go away and I will not allow it do so.

**MR OMODEI** (Warren-Blackwood - Minister for Local Government) [9.46 am]: The member for Joondalup has been pursuing this matter for a long time. It is an ongoing issue which will not go away. I will refer first to the information provided to me by the Department of Transport and then make some observations of my own. The Department of Transport tells me that the provision of commuter parking at Joondalup train station has been considered for an extensive period with interaction between the stakeholders, including the Department of Transport, the City of Joondalup and before it the City of Wanneroo, LandCorp and the Lakeside Joondalup Shopping City. These deliberations have concluded that there is no scope for commuter parking at the Joondalup train station which appears to be in conflict with what the member for Joondalup has said.

Mr Baker: Particularly the Department of Transport's policy statement dating back to 1990.

Mr OMODEI: There are extensive plans for the development and growth of Joondalup as a regional centre particularly in the area of the Lakeside Joondalup Shopping City and the Joondalup train station and this means the land needed for a viable Park 'n' Ride facility is simply not available. The member for Joondalup referred to the 200-bay car park and the owners of the shopping centre being prepared to provide land for five years. However, the Department of Transport is looking at the long term. The department gave some consideration to developing an interim facility on land near the station. However, it tells me that LandCorp was unable to offer any reasonable length of lease tenure on this land on the basis that it is due for development in the short to medium-term.

Further, beyond the issue of provision of land, no other stakeholders were willing to contribute to any capital or leasing costs for the establishment of a Park 'n' Ride facility. The City of Joondalup has recently confirmed with the Department of Transport that it does not want a Park 'n' Ride facility developed in the city centre. In principle, what Transport is saying is it does not generally support the development of Park 'n' Ride facilities in regional centres. People parking cars at such centres in order to travel to the Perth central business district does little for the development of the regional centre and contributes to the congestion in it. The Department of Transport prefers to establish Park 'n' Ride facilities at train stations away from regional centres. In the Joondalup area, Park 'n' Ride options are provided at the train stations immediately north and south, at Currabine and Edgewater respectively. Joondalup is being developed as a major bus and train interchange. Therefore, commuters can travel to the train station using the feeder bus service. As the member mentioned, that is not ideal from his point of view. This is the concept being planned and promoted. Use of the buses in this way relieves potential traffic congestion caused by excessive car parking at the regional centre and has obvious economic and environmental benefits. The City of Joondalup has recently confirmed that it shares this view. The Lakeside Joondalup Shopping City and the City of Joondalup have recently determined a need to protect the availability of car parking for shopping and business purposes and have imposed time limits for parking. From the City of Joondalup's perspective, there is limited benefit in having valuable land within its immediate city centre utilised for Park 'n' Ride purposes. The member for Joondalup mentioned the site to the east of the train station and next to Lakeside Joondalup Shopping Centre.

Mr Baker: That site is owned by the owners of Lakeside Joondalup Shopping City.

Mr OMODEI: I have raised these matters with the Minister for Transport. My advice to the member for Joondalup is that he raise these issues yet again with the Ministers for Transport and Lands to see whether there is the capacity to have a Park 'n' Ride facility at that station. I acknowledge what Transport is telling us. However, it would seem to be commonsense to have a Park 'n' Ride facility at not only Currabine and Edgewater but also Joondalup. If we could establish lines of communication between the member for Joondalup and those ministers, we might find an option that would satisfy all the parties involved. It is obvious that some land is still available. However, it would be necessary to have secure tenure over that land for a reasonable time. On the basis that the member for Joondalup has been so persistent on this matter, I will raise it again with those ministers and see whether we can organise a meeting between the member and those two ministers to address this issue.

Mr Baker: I thank the minister.

The SPEAKER: Grievances noted.

## **ACTS AMENDMENT (POLICE IMMUNITY) BILL 1999**

### *Introduction and First Reading*

Bill introduced, on motion by Mr Prince (Minister for Police), and read a first time.

### *Second Reading*

**MR PRINCE** (Albany - Minister for Police) [9.52 am]: I move -

That the Bill be now read a second time.

In amending the Police Act 1892, this Bill provides clear and unequivocal protection from civil action against a member of the Police Service. This protection is for anything that the member has done, without corruption or malice, in the

performance of his or her functions as a member of the Police Service, whether or not under a written or other law. Importantly, this Bill does not preclude an innocent third party from seeking compensation for any injury or loss arising from an action of a member of the Police Service which is negligent but is neither malicious nor corrupt.

Since the commencement of my term as Minister for Police, a variety of factors have underscored the need to introduce legislation that provides protection for police officers from civil liability claims arising from the execution of their duties. First, the existing legislative provision is antiquated and regarded widely as unable to protect adequately police officers who are subject to civil proceedings. Section 138 of the Police Act 1892 invokes Section H of The Shortening Ordinance 1853, which states that no action lies against any "policeman or constable" unless there is direct proof of corruption or malice. In addition, Section 53(K) of the Police Act 1892 seeks to indemnify police officers from civil liability for anything done or omitted to be done in good faith. I commend the member for South Perth for his efforts in seeking to amend these outdated provisions. His original Bill, which was introduced to the House in 1998, provided a foundation for this piece of legislation.

The second factor is that significant changes have occurred in both statute and common law since the middle of last century, when this provision was enacted, leading to concerns about its applicability today.

Thirdly, this matter, which is referred to commonly as vicarious liability protection, has been one of the principal concerns held by the WA Police Union of Workers over the past few decades. In this increasingly litigious society, police are more often finding themselves being sued as an individual for their actions as a police officer. It should be noted that other people, such as public servants paid by the State to provide a service to the community, are protected by vicarious liability legislation where their actions are in good faith. This legislation seeks to extend this protection to police acting lawfully in the performance of their functions as a member of the Police Service. However, this protection is qualified as follows -

it will not apply to any person who does not cooperate fully with the Crown in defence of such an action; and  
the Crown will not be liable for any exemplary or punitive damages awarded in such cases.

While the Crown will not be liable for an action which is deemed corrupt or malicious, the Bill provides the opportunity for a claimant to request the Treasurer to pay any damages awarded, other than exemplary or punitive, or costs which are ordered. The Treasurer may pay such entitlements where there is little prospect of the claimant recovering them from the defendant. Any such payment will be a debt owing to the Crown and recoverable through the courts.

The Acts Amendment (Police Immunity) Bill will provide the protection necessary for police officers to carry out their lawful duties in the firm knowledge that they will not be held liable for the consequences of any of their lawful actions, unless they are acting in a corrupt or malicious manner. It is high time that our dedicated police personnel were granted such basic protection in the execution of their difficult and demanding duties. I commend the Bill to the House, and I also table an explanatory memorandum.

[See paper No 129.]

Debate adjourned, on motion by Mr Cunningham.

### ADDRESS-IN-REPLY

#### *Motion*

Resumed from 8 September.

**DR TURNBULL** (Collie) [9.56 am]: It is with great pleasure that I again address the House in the Address-in-Reply. I have been speaking about how the services for women during pregnancy and during childbirth and weeks following childbirth have improved in Western Australia since the presentation of the report of the Select Committee on Intervention in Childbirth in 1995. The first issue I addressed yesterday is the need to produce accurate information for mothers. This information has been distributed in a small booklet called *Your Birthing Choice*. In the development of that booklet, it was important to have accurate information, and in producing that accurate information, we needed to assess the quality and level of service which could be supplied in all hospitals throughout Western Australia, from the Kimberley, to Esperance, to Collie, from Woodside Maternity Hospital to King Edward Memorial Hospital for Women, and from very small hospitals to large tertiary hospitals. We examined the statistics for the safe delivery of babies in all those facilities. It is apparent that if a skilled general practitioner has examined the mother two or three times and has conducted tests to detect whether there is an abnormality with the pregnancy or a health problem with the mother, by the time the mother is at 16 weeks' gestation, it is possible to assess very accurately whether the mother will be low risk or high risk. It is extremely important that general practitioners and midwives throughout Western Australia, whether in the metropolitan area or the country, are trained to use their clinical acumen and the new tests that have been developed to ensure that the mother can know whether she is low risk or high risk. Once this decision has been made, a mother who is a low risk patient should be encouraged into shared care with general practitioner-obstetricians and midwives. We need to impress upon pregnant women and their families in Western Australia that if they are low risk by the time their pregnancy is at 16 weeks, it is very safe for them to have their baby in any facility in Western Australia with the assistance of general practitioner-obstetricians and midwives. Unfortunately, there is an impression among quite a lot of people, particularly, as I said yesterday, older mothers who are having their first baby, that they need to be treated by a specialist.

The daughter of my electorate officer is 28 years of age. Recently her first baby was delivered at the family birthing rooms at the Narrogin Regional Hospital. Because of her age, the daughter is classified as an older mother. Fortunately, she was also classified as being at low risk. She was absolutely delighted with the birthing experience at that hospital. There was



no pushing of the labour, no active management. Although she had quite a long labour, it was very successful, and the whole family appreciated the experience. The great thing about her having this baby in Narrogin is that all her friends there - she has no relatives living in the town - can visit her and see her going about the town. All the midwives who were at the hospital during the birth also have this wonderful relationship with her, her baby and her friends. This is our objective as a Government. Our big achievement is that mothers can stay in their communities to have their babies. This helps the bonding of the mother and her family and her new child in the community. It is just as important for the mother to bond with the local community as it is to bond with the baby and the family.

In some places in Western Australia this cannot happen. Unfortunately in places such as Halls Creek, mothers - in particular, young Aboriginal mothers - are sent to Derby to have their babies. It is an extreme dislocation and has a terrible impact on these young mothers. A lot of them do not want to go to Derby. They hide and will not come forward when the baby is due and the baby is born in an emergency situation, rushed into the inadequately serviced Halls Creek District Hospital and disasters can occur. The member for Kimberley has a strong connection with this hospital. His wife was a nursing sister at that hospital, which provided a very good service. The hospital was staffed by a doctor who had the capacity and the skills to be an obstetrician, and a very family oriented service was provided in Halls Creek. In 1990 the select committee inquiring into small country hospitals visited this town and found that two doctors at this hospital could deliver babies. Only the mothers who were at risk were sent to Derby for the delivery of their babies. Unfortunately, at present the staff do not deliver babies at the Halls Creek hospital. The State Government and the Federal Government, in particular, should look at this need for funding of obstetric services very close to the community for low risk patients.

Lately some interesting advances have been made in the training of personnel for obstetric services, including general practitioners and midwives. A proposal has been put forward in Adelaide to have in Australia a four-year midwife training program. The midwife would not have a general nursing degree, but a specialist midwifery degree. In England and Holland midwives are a very important component of the health care services to mothers. A good thing about the specialist midwives is that obstetrics, the antenatal period and the mother who is pregnant are not seen as problems.

In Australia and throughout this world we see the medicalisation of the very natural, normal event of pregnancy, the delivery and the postpartum phase. We have always had to battle the attitude of medicalising the birthing process, making it into a clinical model. We must constantly affirm the people who work to promote services for mothers and babies which support the natural, normal process. Expectant mothers who are at high risk, who cannot have a natural normal birth and need the help of high technology medical services will be supported. They will be given the very best care. Those at low risk who are having a wonderful experience of a natural event must not have their condition medicalised. This is one area in which we in Western Australia are working very hard to try to ensure that we can develop this shared care, natural service for expectant mothers who are at low risk.

There are a number of exciting events around Western Australia. I have been speaking with the doctors at the Swan District Hospital who have drawn up a roster so they can provide a general practitioner-obstetrician for the public antenatal clinic mothers when they come into the hospital for their delivery. The doctors have had a lot of trouble in this process. It is very hard to keep a roster of general practitioners working because at least six are needed who are prepared to be general practitioner-obstetricians. With a roster the work can be shared around. There are three big disincentives to being a general practitioner-obstetrician: First, the cost of insurance; second, the total irregularity of the hours, which interferes with their general practice; and, third, the demands of their family for more of their time. For 20 years my husband shared a roster as one of only two general practitioner- obstetricians in Collie and was involved in the delivery of about 70 babies a year. I know how hard that can be.

We must continue to fund courses for general practitioner-obstetricians. We must encourage younger people coming into the profession to look at a general practitioner position coupled with what used to be called a diploma in obstetrics as a very exciting and rewarding alternative to being a specialist. Fortunately a few are doing that. I have met a young woman who is presenting such a service at the King Edward Memorial Hospital family birthing unit. She is very enthusiastic. The birthing centre is also trying to develop a roster system to assist the doctors to provide a service to public patients. At the KEMH family birthing unit, midwives do most of the deliveries. They deliver the mothers who come from the KEMH public antenatal clinics. That is a wonderful service. Slowly there has been an assessment of the outcomes of the mothers who are going through that unit. The clinical guidelines on how the midwives can operate and how long the mothers can be kept in the family birthing unit without their being transferred to the hospital have been adjusted without the sacrifice impacting on the safety of either the mother or the baby, and that is very good.

I commend the Director of Nursing, Robyn Collins, for her enormous commitment to the removal of the clinical model from around those low-risk mothers who attend King Edward Memorial Hospital for Women. King Edward hospital is a tertiary hospital. It provides an absolutely magnificent service to those people in Western Australia who are at high risk and who will have problems. It provides the most state-of-the-art medical service in the world. We had to change the attitude which, until a few years ago, pervaded everyone at King Edward hospital, which was that a mother who went to King Edward hospital was a patient and had a medical condition. I assure the House that over the past four years there has been an enormous change in that attitude. It has been supported by Brian Roberman, the Director of Medical Services at King Edward hospital, as well as by many other obstetricians at the hospital. I am thankful to those specialists who have given a commitment to this change in attitude.

In my remaining five minutes I will quickly mention a few of the exciting research factors which have come out of King Edward hospital in the past year or so, with the assistance of the Raine study funds and the National Health and Medical Research Council grants that go to King Edward hospital through the very fine work of the Women and Infants Research Foundation at King Edward hospital. One exciting study, under Professor John Newnham and other people, is the

assessment of all the data on the fact that low birth weight correlates to health problems in a person's midlife, including midlife onset diabetes, hypertension, heart disease, cerebrovascular accidents and behavioural problems in children approaching their teenage years. In many cases this can be correlated to low birth weight. The analysis is starting to show that low birth weight is related to stresses on the mother during her pregnancy; in other words, it is related to cortisol which is released from the mother into the baby's placental blood system while the foetus is growing in utero. It is terribly important that we, as members of this Parliament and of the Government, realise how extremely important the antenatal period is. The foetal growth inside the mother is one of the most important times in the life of a human being. We must look at factors which apply stress to pregnant mothers. We know about alcohol and tobacco. No pregnant woman should drink any alcohol or smoke any tobacco. She would be inflicting on her baby a poison which will have an effect on that child. In our society now many people take marijuana and drugs and that is an infliction on that baby, which will carry through into that child's adult life.

Mrs van de Klashorst: Many babies are born drug addicts already and they must be weaned off the drug at birth. I have seen a baby like that.

Dr TURNBULL: Yes, that is a tragedy, particularly the effect of nicotine on the production of cortisol within the mother's system which then gets into the baby's blood system through the placenta. There are other stresses, including eating the wrong food and when a mother insists on continuing to work. It may be more important to give a mother maternity leave between about the fourth and sixteenth week of the pregnancy, rather than to give her leave in the last six weeks before the delivery. Stress in the stage from conception to the sixteenth week has the most effect on the development of the foetus. We will find that the research by John Newnham's team at King Edward hospital is vitally important. Both the Federal and State Governments must ensure that the public health budgeting system contains a section which deals with the funding of antenatal care. It is essential that we have adequate funding for a comprehensive antenatal care program.

**MR OSBORNE** (Bunbury) [10.16 am]: I will take the opportunity while the Minister for Education is in the Chamber to talk briefly about some education issues in the electorate of Bunbury, and also to speak about other projects which I am very optimistic will get government approval in the next year.

The first issue that concerns the electorate of Bunbury - it has also been a concern of the member for Mitchell, who is also in the Chamber - is a student support centre at Newton Moore Senior High School. The minister has inspected Newton Moore Senior High School and it has been explained to him that, given the drawing area that this school occupies and the challenges it faces, it is actually one of the best senior high schools in Western Australia. It has a proud record in its sporting achievements, and it has a magnificent record in the musical achievements of its school band. On several occasions in the past its concert band has been the state champion school concert band. If members will make a conscious effort and pause to reflect on that, they will find it is a terrific achievement. Newton Moore Senior High School is in the field against private schools in Perth, which are enormously well resourced in terms of staff, musical facilities and musical instruments; yet, on several occasions, Newton Moore Senior High School's band has been the state champion band.

The most important issue for the school at the moment is that of the student services centre. Newton Moore Senior High School was built 20 to 30 years ago and is now significantly outdated. Like a lot of high schools, it has been added to over the years. As a result, it has spread out across a fairly large campus. Services which have been added since the school was constructed, including the school chaplaincy, the police officer and Aboriginal education, have been forced to find a place in the school wherever a space might be available. The result today is that a wide range of new services which are available to students in this school are spread across the school. It is not very efficient in terms of providing a pastoral, social and educational service to students, and it is extremely inefficient administratively. The school has a proposal, which the Education Department has been considering for about four or five years, to bring all of these services together in one place and to collocate them with the school's administration centre, so that the services can be more effectively offered to students. I am a strong supporter of the proposal, as is the member for Mitchell, so I take this opportunity to publicly remind the minister what a strong project it is. We both hope it will receive the support that we believe it deserves as soon as possible.

Another issue which I wish to raise is the education support centre at South Bunbury Primary School. Recently we had what I hope is the beginning of a very good solution to the issue. Therefore I will confine myself to outlining the issue and the solution. Approximately 22 to 25 students occupy the South Bunbury education support centre. It had been proposed that this education support centre would relocate to Carey Park Primary School when that was to be reconstructed. When the Carey Park proposal was a greenfield site at Donaldson Park, very good provision was made for the education support centre to go into that school. There were difficulties in building the Carey Park school at Donaldson Park, particularly relating to the current ownership of the land, and it was decided by the minister that Carey Park Primary School would be built at its current location. Because it is a small area of land, it meant the school would have to have a double storey configuration and be quite crowded, which presented difficulties for the education support students as some of them have physical handicaps. A two storey location and a crowded campus is not in their best interests.

I met some of the parents of the South Bunbury education support centre a couple of months ago and went to a meeting of their parents and citizens association at South Bunbury. The consensus emerged that they would prefer the centre to stay at South Bunbury. We conveyed that message immediately to the minister knowing of course there would be practical difficulties with it. There was a question of whether the minister could take the money from the Carey Park project and allocate it to the South Bunbury school. It would also necessitate a complete redesign of the building as it is a new campus and must be carefully designed with the needs of the students in mind. However, I am pleased to report that the minister and the regional director, Dr Barry Bastow, recently advised that the project will go ahead at South Bunbury with an amount of \$450 000 secured from the Education Department. The P & C met last evening and I will learn the result of that meeting tomorrow when I return to Bunbury. However, I am confident that we will see in the next calendar year the construction

of a purpose-built education support centre at South Bunbury Primary School. I thank the minister for his concern and attention to the issue and we all look forward to the time when that will be built.

Another long-running issue in the electorate of Bunbury is the Bunbury Recreation and Aquatic Centre. For almost 25 years the Bunbury community have struggled with what has become increasingly inadequate swimming facilities. The current aquatic facility at Hay Park, Parade Road, was designed originally for hydrotherapy purposes. The water is shallow and is generally kept at a warm temperature of 23 to 24 degrees. However, during the winter it becomes impossible to use the outdoor pool and it is in fact closed. Most of the swimming fraternity and those engaging in the increasingly popular sports of water polo and aquarobics and so forth are forced to use the indoor pool. It has become apparent, especially in the past two to three years, that the indoor pool in Bunbury is significantly inadequate; in fact, it is in danger of physical collapse as the filtration and pumping equipment is badly out of date. I understand there are regular infestations of the pool when the whole system must be cleaned and triple chlorinated in an effort to keep the pool adequately safe from a health point of view.

About 12 months ago, the Minister for Sport and Recreation announced a major study into an indoor aquatic and sports centre in Bunbury, which study has been completed now for some time. The minister, the consultants and the Bunbury City Council have been working for a long time to try to bring the project to fruition. One of the problems relates to financing the project; it is an expensive project, in the order of \$10m to \$12m, and we are facing some difficulty. However, I am optimistic that, with the assistance of the Minister for Sport and Recreation, a way through this problem will be found and the people of Bunbury, and indeed people in all of the areas surrounding Bunbury, will be able to enjoy a first-class aquatic and indoor sports facility in the next couple of years.

The third and last issue which I wish to talk about today is a project which has been very dear to my heart in the past three years; that is, the Bunbury back beach project. Members in this place may have heard me mention this project on previous occasions. I am pleased to advise the House that the project has now reached the point where the detailed design is almost complete. We are at the stage of preparing a cabinet submission which will be on its way shortly to the Minister for Regional Development, the Deputy Premier, in search of cabinet approval. The Bunbury back beach area is probably the most important recreational resource that the City of Bunbury has, yet, for the past two to three decades it has been ignored. People visiting Bunbury now remark on the change which has occurred to the city. The Victoria Street area - the central business district - has been transformed and is a very attractive cappuccino-restaurant strip, cinema and entertainment area. I believe it stands comparison with any other attractive metropolitan area in Australia. Adjacent to the Victoria Street area is the new Marlston Hill development, a very successful urban redevelopment conducted by LandCorp. It is in fact so successful that it recently won an Urban Development Institute of Australia award as the best country urban development in Australia. Something like \$20m to \$30m worth of development is occurring in that place. It is transforming what used to be a very poor area of the City of Bunbury; in fact it used to be the sewerage treatment works. Seeing what can be done with a sewerage treatment works, albeit a treatment works which was on a very good piece of real estate, makes one realise the remarkable skills of architects, developers and town planners.

The question that follows from the CBD redevelopment and the development of Marlston Hill is what then to do with the back beach area on the western side of the city. It will become apparent with the change in the CBD and when Marlston Hill is developed that the back beach area of Bunbury is a disgrace in terms of civic amenity and environmental attractiveness. The matter was brought to a head in 1996 with what has been described as a 1:100 year storm event when the planning inadequacies of the area were amply demonstrated. There are buildings in that location, including a surf club, a restaurant, road works and parking areas, which are just too close to the seashore. In fact, if people were seeking planning approval for developments of that type to be constructed today, that approval simply would not be given.

The back beach project aims to redevelop the back beach area of Bunbury and to address those planning and development issues. The City of Bunbury has been engaged in a Sisyphean task in the past several winters of continually putting sand replenishment into that area to protect the existing infrastructure. Obviously, the ratepayers of Bunbury cannot go on spending the \$50 000 to \$70 000 every year that that takes. We are seeking a permanent engineering solution to the planning and beach and dune protection issues that arise at Bunbury's back beach. The project that we will be shortly recommending to Cabinet provides that permanent engineering solution and returns an enormous civic and environmental resource to the people of Bunbury. As I said, it is one of the most popular recreation resources in the city. If we can redevelop the area, realign roads, construct dual-use pathways and picnic areas and rationalise the drainage situation, we will make a permanent and remarkable contribution to the city.

We hope to solve the drainage problem in the not too distant future. A significant amount of runoff comes out of the area - 18 drains currently traverse the beach. In winter, when the rain is falling and the stormwater is running, those 18 rivulets of stormwater make it impossible for people to enjoy the beach. The remediation proposal involves rationalising the 18 drains to three stormwater outlets. If they can be properly separated from the beach and the dune environment, that beach will be available to the people of Bunbury to be enjoyed throughout the winter.

I will refer later to the details of the project. However, because the detailed design has not been confirmed by the committee that I chair and because it has not been submitted to Cabinet, I am not at liberty to go into any of the details. Suffice to say, when approval is granted and the announcement is made, a project on which we hope to spend \$7m will provide a wonderful addition to the city life of the people of Bunbury.

I understand that I have performed the task required of me, that the next piece of legislation has been checked and that we are able to proceed. I have drawn the attention of the House to a number of issues, including the back beach project in Bunbury. I again ask the Minister for Education to give serious consideration to the student services centre at Newton Moore

Senior High School. I also ask the Minister for Sport and Recreation to give serious consideration to a resolution of the problems that we have had for the past 20 years with Bunbury's indoor aquatic centre.

Debate adjourned, on motion by Mr Kobelke.

### PRISONS AMENDMENT BILL 1998

#### *Third Reading*

**MRS van de KLASHORST** (Swan Hills - Parliamentary Secretary) [10.35 am]: I move -

That the Bill be now read a third time.

**MR BROWN** (Bassendean) [10.36 am]: We have had the opportunity during the consideration in detail stage to test some of the assumptions presented in the second reading explanation. The minister cited a number of reasons for the introduction of this Bill. Indeed, he stated -

The Government is aiming to develop a prison system that is as advanced and effective as any in the world. We are purposefully seeking flexibility, efficiency, innovation, effectiveness and continuous improvement. One of the strategies that the Government is convinced must be adopted to achieve these outcomes is the introduction of contestability as a means of benchmarking and improving the performance of our public prisons.

Obviously, the primary purpose of this Bill is the introduction of contestability between the public and private sectors. He went on to say -

The Government is not ideologically tied to the concept of private prison services. The provision of these services under contract will be pursued only to the extent that it will transparently improve the overall effectiveness and efficiency of our prison system.

During the consideration in detail stage we have had an opportunity to test the degree of transparency in measuring the relative efficiency and effectiveness of a public prison compared with a private prison.

The first question addressed when notions of contestability are raised is the issue of comparing like with like; that is, comparing apples with apples and not with pears. To that extent, the Opposition has endeavoured to ascertain whether the input costs of operating a private prison will be the same as those involved in operating a public prison. Of course, the primary cost in operating any prison is labour. If there is a differential in the cost of labour it does not matter how efficiently or inefficiently a prison is being run, there will be a difference between one prison and another. The first question in respect of a private prison that must be addressed is whether the cost of labour per hour worked is the same as that in the public sector.

The Opposition's amendments have endeavoured to include a clause that requires the Government to publish the wage classification structure for those employed in a private prison as custodial officers and so forth. Unfortunately, that amendment was defeated. As a result, the managers of this private prison will employ people under secret workplace agreements. Therefore, the Opposition will not be able to establish the employment costs and will not be able to compare like with like. Most likely, the people employed in a private prison will be paid a lot less than those employed in public prisons.

That has happen in many areas of government in which contestability was allegedly one of the reasons for introducing privatisation or contracting out. For example, school cleaning was performed by people employed by the Education Department, and those people received the award rate of pay and enjoyed award conditions. That work has been contracted out and much of it is now performed by employees of private cleaning companies employed under workplace agreements. While the Opposition does not have the details of all the workplace agreements, those that have been sighted indicate that the employees are paid the minimum wage under the Minimum Conditions of Employment Act, or perhaps 5¢ or 10¢ an hour more. In any event, it is significantly less than that received by employees who would otherwise have been engaged under the provisions of the award.

When we test which sector is more efficient the argument from the Government is that the private sector is more efficient at cleaning schools than the public sector. The cost when the private sector operated was X, and when the public sector operated was Y. If X is less than Y then X is more efficient. However, the differential occurs from a reduction of wages costs. The labour is not being utilised more effectively, rather people are being paid lower wages and conditions. Even at Parliament House, when Chubb Security held the contract for security its contract security officers were employed under the provisions of an award, and were paid the award rate of pay and worked under award conditions. The contract was relet to another company because that company quoted a much lower rate than Chubb. The reason New Breed security was able to quote a lower rate was that it employs security officers under workplace agreements. Some of the people who work for Chubb Security now work for New Breed, and made the transition from working under an award to a workplace agreement. They work around the same number of hours. The difference is that they now receive 20 per cent to 30 per cent less a week than they were previously paid. One might say New Breed is more efficient than Chubb, but that is not true. The security officers do exactly the same work. There is no difference between the work that a security officer did on a Monday night when he was employed by Chubb and the work he does on a Monday night when he is employed by New Breed. There is no efficiency other than a cost saving. The cost saving is that security officers are paid a lot less.

Whether one looks at security here at Parliament House, cleaning in the Education Department, or drivers who were employed by Transperth the savings have come about as a result of a reduction in the wages and conditions of workers. That

has been the desire of the Government, and it has achieved it. The Government can feel proud that its actions have lowered the living standards of many workers in Western Australia. However, that is an argument for another day. It is relevant in this debate because the Government says that in establishing the private prison it wants contestability between the public and private sectors. If we are to have contestability the input costs must be the same, otherwise the comparison is based on totally different input costs, particularly where the most significant cost of running a prison is the labour cost. I doubt that the Government is genuine about contestability. I say that not only because we will see those differences but also, more importantly, because the Government has stopped opposition amendments to this Bill that will deny the transparency the Government said it wanted in the second reading speech. We will not be able to look behind the cost differentials between the public and private sectors to work out why these differentials exist, because the provisions the Opposition wanted to insert into the Bill that would have enabled us to do that will not be there and we will not get the information required to test and scrutinise the degree of efficiency in the public sector vis-a-vis the private sector.

The other matter I want to raise on the issue of contestability, which I am sure will be raised at a later stage when reports start to come in from the private prison, is that the cost of operating any prison depends on the nature of the institution, the programs it provides and on its security rating; it does not depend only on the number of prisoners. It also depends to a large degree on the technology that is utilised in an institution. The Casuarina Prison is far more efficient than the old Fremantle Prison, simply because it has better technology and is better able to manage prisoners. Likewise, one would expect that any prison built in 1999-2000, will have significant changes in prisoner management brought about by technology changes that have happened over the past 10 years that were not available to prisons built in an earlier time. One would expect an efficiency saving from technology.

The other issue is that so-called savings can occur from the programs that are provided, and by the degree of prisoner contact - that is, prisoner to prison officer contact in institutions. It also depends on the nature of the institution. For example, the relative costs of operating a minimum security institution are far cheaper than the costs of running a maximum security prison. When we consider the issue of contestability, which is the factor that the Government relied on when it introduced this Bill, we need to assess the differences, and to measure the degree to which the public and private sectors have performed in their capacities. I doubt the provisions in the Bill will make that possible.

The other matter I have concerns about is the nature of the employment conditions that will be applied to people who seek work with the contractor for the new prison. This was the subject of some debate in the committee stage and I want to put on record a number of the matters raised. The Bill provides that the chief executive officer may require a contract worker who applies for a permit to do security work to provide information about any offence for which the contract worker has been convicted. During the committee stage it was indicated that this covers not just criminal offences, but also driving offences, letting one's dog out of one's yard, and anything at all that has occurred in one's entire life. It covers not only offences in Australia but also offences throughout the world. The Bill is applying a new standard. It is quite unusual. We might understand the requirement to provide information about criminal offences and offences involving drugs. However, I do not understand why it is necessary for one to disclose parking fines and whether one has double-parked one's truck in the right bay to get a job.

The other requirement on applicants is that they must disclose all information about disciplinary proceedings. Most people are employed in the private sector, and we found that a disciplinary proceeding can mean any warning that has been given at any time in anyone's working life. During the consideration in detail I used the notion of a 42-year-old who received a warning as a teenager in his first job, for serving too much ice cream at the local delicatessen. Under these provisions that person would have to disclose the warning he got 25 years ago for serving too much ice cream. I am amazed that a Bill would provide for this, but this Bill does: A person must provide information of any warning or any disciplinary proceeding during his or her entire life when applying for a job. That seems dreadfully excessive.

When applying for jobs in this area prospective employees must provide information about any other matter that is relevant to the suitability of the contract worker to do high level security work. That matter is not defined and it seems it will remain ill-defined. Therefore, a person could commence work and something could arise which he did not disclose because he did not know he had to disclose it, but then find he is dismissed for not disclosing it. That seems a ludicrous proposition.

I have some reservations about the notion of private prisons. As the Government has decided to go down this path, obviously it will, but we are yet to see whether there is any contestability and the degree of programs that are to be provided by the private prison. We are yet to see if some of the predictions made in the second reading speech and the consideration in detail stage come to pass. One of the most important aspects will be the recidivism rate and whether this prison has a lower recidivism rate than that in the public prison system. That will be a measure, providing, of course, that the public prisons do not hold all the hard-to-manage prisoners and the private prisons all the easy-to-manage prisoners. If first timers are in one prison and the recidivists in another and then success rates are measured, one would not need to be a genius to work out that the prison holding the first timers is liable to have a lower recidivism rate than the prison that holds the recidivists. The result will depend on the way the test is carried out to measure the degree to which this new prison makes a contribution - if it does make a contribution - to the recidivism rate as claimed.

I am disappointed that the few amendments we moved have not been accepted, particularly as, although we are opposed to the Bill, they would not detract from questions of contestability, transparency and openness; they would add to them. Notwithstanding that they would add to them, they were not accepted. I do not say that I look forward to this new prison being created because that would not be correct, but I look forward to examining the information about the new prison, when the information is available, to see whether all of it is there or whether the key information that we have requested is absent and, therefore, we are unable to make the judgments about this new prison which the minister said in his second reading speech that we would be able to make.

**MR RIEBELING** (Burrup) [10.53 am]: This legislation has taken some time to pass through this House. Of course, it was our hope that at the end of the day the Government would see the light and accept that a privatised prison system is not what the people of Western Australia want or are asking for. We moved a number of amendments to the legislation but unfortunately not many of them were accepted by the Government. We believe they would have improved the legislation. The Government put forward a number of amendments to the original legislation. That shows that when the legislation first came before this place it was not ready for passage through to the other place. This legislation is different from that with which we started. However, the primary push for a privatised prison by the Government will have taken place once the legislation leaves this place.

On numerous occasions the call has been that the new prison will offer lots of new incentives and initiatives, and will enhance the delivery of prison services in Western Australia. It may well be that new prisons do that. However, it does not necessarily follow that a new prison should be a privatised entity rather than an entity run by the present prison system. Our present prison system has a lower recidivism rate than the Government's target. During the estimates committee hearings this year I questioned the minister about the recidivism rate. He said that the target rate the private prisons would have to try to achieve has been surpassed by the present system. The member for Bassendean indicated that if that is to be one of the major criteria for judging the success of the privatised system, a number of safeguards for that test need to be put in place so that we compare apples with apples rather than two dissimilar prison populations.

It is a fact that because of the Government's policy on law and order we will see more and more people locked up in prison. That would not occur to the same extent if we were in government, but it is a general trend as a result of harsher penalties which would occur whether or not we were in government. Unfortunately, there is a need for more prisons. I do not think the Government has demonstrated any desire on the part of the public to have privatised prisons. In this debate the Government has not shown that a privatised system will be better. The Government has made a grave mistake. Unfortunately, once this legislation is proclaimed, the State of Western Australia will be stuck with a private prison for many years to come. It is a backward step and one which the public of Western Australia will not thank this Government for in the future.

Before this legislation is introduced in the other place, I urge the Government to review what it is trying to do. I hope we will see some changes to the legislation so the government prison system can still operate. I understand that some of the minor parties in the other place may support this legislation. That decision is ill-founded and the people of Western Australia will regret it in time. I do not wish to take this debate any further.

**MRS van de KLASHORST** (Swan Hills - Parliamentary Secretary) [10.59 am]: Before responding to the Opposition and making a few comments on this Bill, I thank the members of the Opposition who have shown their commitment to the prisoners in Western Australia and to the prison system not only by the quality of their debate but also by being very patient and cooperative during the consideration in detail, especially in view of the many amendments which came forward during the passage of the Bill as we were debating it.

I will now answer some of the issues raised by the member for Bassendean. He discussed the development of an advanced prison system, one element of which is the introduction of contestability. He talked about comparing like with like and asked whether the cost of labour would be the same and the wage classification structure would be published. He said that to measure contestability, input costs must be the same. I place on record that the contractual framework for the new Acacia Prison, which this Bill will allow to be established, is focused on outputs and outcomes, not inputs and processes. One reason for introducing a mixed prison system in this State is to learn from the private sector those innovations to service delivery which may then be applied to the public sector prisons, if they are successful. I commend the idea of a mixed system.

Professor Harding, who is known in Western Australia and perhaps internationally, as the guru of private prisons, suggests that a cross-fertilisation system - which the new prison will introduce - leads to two things: an improvement in the system and a reduction in costs. He strongly recommends that there be accountability in any contracting out of prison systems, and this accountability must be of paramount importance.

I refer to a recent comment I heard on the radio about increases in the price of gas at the bowzers. The committee considering the high price of gas in Western Australia has attributed that to the lack of competition, because the manufacture and supply of gas for bowzers in this State are a closed shop. That lack of competition is one reason the price is so high. I equate that situation to the prison system. Once again I refer to Professor Harding, who said contestability could lead to an improvement in the system.

The member for Bassendean also said that the chief executive officer may require an applicant for a high security permit to disclose certain information about previous offences. He said it was a new level of test, and that they would also be required to provide information about disciplinary offences. During consideration of the Bill in detail I said that because of the unique nature of prison services - it is a special field - it is necessary for government to ensure that only suitable people are allowed to have power and influence over those in custody. Those who work in the prison system are the role models for prisoners. For this reason the Bill has very strong provisions that give the CEO discretion in issuing permits, to ensure they go to the right people who can be good role models and assist prisoners to move forward in their lives.

As the Minister for Police said in the second reading speech, prisons serve a number of purposes. Offenders are sent to prison not just to protect the community, although that is part of the reason. Prisons can create an opportunity to work with offenders in order to reduce the likelihood of their reoffending after release. That is one of the thrusts of the Bills. It is the Government's attempt to create a mixed prison system in Western Australia, to bring new ideas, innovation, flexibility, better and effective use of resources, and continuous and ongoing improvement within the prison system.

In addition to the core of the Bill being specifically to extend the powers of the CEO of the Ministry of Justice to enter into contract service delivery arrangements with the private sector, built into the Bill are very strong accountability provisions, as recommended by Professor Harding and others. The Bill contains accountability in the form of the Inspector of Custodial Services. It is worth placing on record that the Ministry of Justice searched both nationally and internationally for the best form of accountability. This Bill contains the strongest possible accountability provisions, which are better than those for any other private prison in Australia. It is even better than the system on which it is modelled - Her Majesty's Chief Inspector of Prisons in the United Kingdom - because this Bill contains legislative requirement for the inspector to report directly to the Parliament. Even during the passage of this Bill through the Parliament, the accountability measures have already begun, through media statements, queries initiated by members of Parliament, members being given access to the requests for proposal, the tabling of the RFP in the Parliament, ministerial statements on what is happening with accountability, and the formation of the Acacia Prison community reference group within the Wooroloo community, which I chair. It should also be noted that in the main the local community supports this project, as does the local shire.

We certainly must not underestimate the importance and significance of this legislation for Western Australia. It is important because prisons are very complex places, and as difficulties are created when new strategies are introduced, they must be completely transparent to the community. Some of these strategies were referred to in the second reading speech, and are such things as the preparation of prisoners for release, the relationship between staff and prisoners, staff morale and care of suicidal prisoners.

Australia moved into contracting out prison services in 1995, and currently there are seven privately contracted prisons in Australia. Acacia will be the eighth, so Western Australia is moving in line with the other States. Approximately 16 per cent of the total prison population in Australia is now housed in privately contracted prisons. It is very important to ensure that the private contractor transparently delivers the specification in the contract, and that in a closed institutional setting prisoners are treated within the high general standards expected in a civilised society. This Bill covers that aspect and people's concerns about accountability. The Inspector of Custodial Services will report directly to Parliament and that gives broad accountability of the prison system - about what is being done well and what is sometimes being done badly. It will improve the whole prison system.

I commend the Minister for Justice and the Ministry of Justice for this innovative step, which is certainly in line with the Government's Safer WA policy. We need prisons to handle violent offenders and we have a role to ensure that the standards and services delivered to those offenders are of the highest value and work towards stopping reoffending. This legislation moves in the right direction towards a balanced approach to offending behaviour, and it will lead to positive outcomes and a win:win situation for the community, the offenders and the staff. I commend the Bill to the House.

Question put and passed.

Bill read a third time and transmitted to the Council.

### **GAS CORPORATION (BUSINESS DISPOSAL) BILL 1999**

#### *Second Reading*

Resumed from 1 July.

**MR RIPPER** (Belmont - Deputy Leader of the Opposition) [11.09 am]: The Labor Opposition opposes this Bill to privatise AlintaGas. In the past it has considered proposals for privatisation on a case by case basis. Labor believes the cases where privatisation might be justified have been exhausted. It is drawing a line in the sand and will not support the privatisation of AlintaGas and Western Power. It does not support the privatisation of Westrail freight and it will not support the privatisation of the Water Corporation.

We believe that the Government should also accept the proposition. The Government should accept that the cases of public utilities where privatisation might be justified have been exhausted. Why have we drawn a line in the sand? The Western Australian Opposition opposes the privatisation of AlintaGas. We are supported by the Western Australian public in our opposition to the privatisation. There is no community support for the proposal by the Government. There is no electoral mandate for the proposal. There is no support because AlintaGas may pass from the ownership by all Western Australians to the ownership by people outside Western Australia. We oppose the privatisation because of the market structure that will be created. The Government is proposing to transfer what is a natural monopoly from public ownership into private hands. In so doing the Government is compromising the objective of cheaper gas prices. The Opposition believes that gas consumers may well be the losers and, among gas consumers, residential and small business customers may be the chief losers. The Opposition resolutely opposes privatisation but if the Government were to privatise AlintaGas there are various models on which the privatisation could occur. The Opposition believes that the Government has chosen the wrong privatisation model by selling AlintaGas as a vertically-integrated monopoly. We believe that the Government has placed privatisation ahead of competition. Yet, it is competition that will deliver benefits in terms of cheaper gas prices to consumers, not privatisation.

The Opposition is not happy with the arrangements outlined by the Government for the protection of consumers by limitations on tariff increases. We have compared tariff increases of AlintaGas under public ownership with projections of future increases under the Government's rules and there is no advantage to consumers under the projected changes. The Government has serious short-term budgetary problems and it is trying to maximise short-term returns in order to deal with the difficulties. The short-term gains would be ahead of the interests of consumers and Western Australian taxpayers. What will be next if the Government is allowed to privatise AlintaGas? There is no support or mandate for the privatisation. The Government was not open before the last election about the possibility of privatisation in this parliamentary term. What will it seek to do if it is returned after the next election if it gets away with this proposition?

Mr Brown: Western Power!

Mr RIPPER: Western Power and the Water Corporation. In the absence of an election, politicians must make judgments about the community view on certain proposals. We make those judgments on the letters and telephone calls we receive, and by the comments made in the media and on talkback radio. We also look at the political polling information that is available. There is no doubt that the WA community is opposed to the privatisation of AlintaGas. I had a recent experience on radio station 6PR. I debated with the presenter whether the privatisation of AlintaGas was a popular or unpopular policy. He thought that it might not be. I asked to hear what the listeners had to say. The station's computer screen was filled with calls and most callers were universally opposed to the privatisation. That is an example of the sort of feedback that I am receiving. My judgment on the question is supported by the only poll that I am aware of - the Westpoll published on 22 March 1999 in *The West Australian*. Fifty eight per cent of those polled opposed the privatisation of AlintaGas. When asked whether the proceeds of the sale should be used to build the southern rail extension, the results were even more conclusive. Sixty six per cent opposed the plan to use money raised from the sale to pay for the southern rail link. Only 29 per cent supported the idea. It is fair to say that community attitudes about privatisation have hardened. The targets for privatisation about which the community might have been more equivocal have been exhausted. The Opposition believes that the public is strongly opposed to the privatisation of basic services like power, gas and water. Attitudes have changed and I do not believe that the Government has caught up with the changes. The easier privatisation cases have been exhausted. Only the hard cases are left. Only the cases about which the community is likely to be more resistant are left. Why would the community not be opposed to the privatisation of AlintaGas? The community has not been consulted and the Government did not have the courage to raise the proposition prior to the election. The Government is talking about selling an asset that is valued at approximately \$1b. In anyone's language that is a major economic and financial decision that was not raised with the community in the election campaign prior to the 1996 election. Why would the community not be angered by the arrogance of the Government and the lack of consultation and forewarning? The public of Western Australia already own AlintaGas: A total of 1.8 million Western Australians are already shareholders of AlintaGas. The Government says that this will be an opportunity for Western Australians to own shares - an opportunity for the "mums and dads" to make another foray into the share market. This important public utility is already owned by 1.8 million people. If the Bill is successful and AlintaGas is privatised, the number of people able to own shares in Alinta Gas will be reduced from 1.8 million to about 100 000.

Approximately 100 000 Western Australians might be shareholders of AlintaGas after privatisation, most of whom will find that they are able to own only a limited number of shares. This will not be an opportunity for the mums and dads of Western Australia; it will be a reduction in the number of people who can own shares in AlintaGas from the 1.8 million who presently own it to about 100 000 who will not have control of the entity anyway because of the influence that will be exercised by the cornerstone shareholder.

That brings me to the second issue I want to discuss; that is, the issue of the ownership of the business going outside Western Australia. This business is owned by Western Australians. However, the business will be sold in two different ways if the Bill is passed. Firstly, there will be a trade sale of between 40 and 49 per cent of AlintaGas to a so-called cornerstone shareholder. That shareholder will be an entity that is no doubt already in the energy business. It might be a Western Australian firm or an Australian firm. It might also be from outside Australia. Although that firm will not own more than 49 per cent of the privatised AlintaGas, it will be able to control the entity. At the minimum it will have 40 per cent of the privatised operation and a maximum of 49 per cent. However, given that no other shareholder will be able to own more than 5 per cent of the company, the cornerstone shareholder will control AlintaGas. Forty per cent in those circumstances is certainly a controlling interest.

Mr Barnett interjected.

Mr RIPPER: We should adopt rules about the way we conduct this debate. I know the minister likes to interject on opposition speakers and engage them in debate to and fro. However, formal rules are in place. He has a right to respond for, I think, 45 minutes. He should let me outline my argument and take notes and at the end he can make his 45 minute attempt at rebuttal and then we can go hammer and tongs during detailed consideration of the Bill. I would like an opportunity, as he had, to outline my argument.

I return now to the position of control of the new privatised Alinta. I was talking about the initial two-year period when these limitations on shareholdings apply. After that two-year period, conditions on share ownership will be removed and the cornerstone shareholder will be able to increase its shareholding. Others will be able to buy shares from the cornerstone shareholder and indeed from other people. After that two-year period the new privatised AlintaGas could become a wholly owned subsidiary of an international utility.

It is interesting to see the way in which the minister approaches this issue. It is different from the way in which he approached it when he was in Opposition. As an opposition member he dealt with the privatisation of the State Government Insurance Office. The legislation before the House placed an upper limit on shareholdings at 15 per cent for a two-year period. The member for Cottesloe, who was then in Opposition, argued that that two-year limit should not apply and that the limit on shareholdings of 15 per cent should be indefinite.

Mr Barnett: Who was the minister handling the Bill?

Mr RIPPER: The minister can respond in his rebuttal. I will quote what he said on Thursday, 12 November 1992 at page 6855 of *Hansard* -

The clause places a limitation on the shareholding at 15 per cent for two years. . . . However, it offers only limited protection because after two years, to the extent it may have restricted shareholding, there would be a rise in price



in anticipation of a takeover bid and that would provide a windfall gain to the shareholders rather than to the Government or the people of Western Australia currently selling. Secondly, and more importantly, it is inevitable that the company will be taken over. . . . The purpose of the amendment is to remove the two year limitation so that the 15 per cent restriction on any individual shareholding will remain until the Parliament might decide to change it.

Some words have been omitted from that quote; it is not a continuous quote, but I have preserved the sense of the minister's argument at that time.

Mr Barnett interjected.

Mr RIPPER: I will give the minister one interjection.

Mr Barnett: I am correct in what I said. The difference between Alinta is that the majority cornerstone investor will have 40 per cent shares plus. As you correctly said, it will have effective control from day one, so there will be no premium attached to control as there would have been when shareholders under the SGIO were limited to 15 per cent. They are different situations and I am right in both cases. I remind the House that the minister handling that privatisation of the SGIO was one Dr Gallop, now Leader of the Opposition.

Mr RIPPER: I allowed the minister to draw me into debate so I will respond. He argued that the restrictions on shareholdings should be indefinite, not for just two years. Presumably he thinks there is some important reason that the shareholding should be restricted for two years, just as the then Labor Government believed there were important reasons for those restrictions on the sale of the SGIO. At that time the minister said that the restriction should apply indefinitely. Now that he is in government he is taking a different approach.

I note the minister's reference to Dr Gallop's supporting the privatisation of the SGIO. I said at the outset of my remarks that we have always examined privatisation on a case-by-case basis. We did agree with the privatisation of the SGIO. However, we regard AlintaGas as a different case. We also note that the community is taking a different attitude towards privatisation and the Opposition believes there is a rational reason for that. The easy-to-privatise cases, those in which privatisation is more acceptable, have been implemented. We are now down to the difficult cases for which people will not provide the same support for privatisation as they did in the past.

Regarding the possibility of control of this business going outside Western Australia, the minister will say that the legislation provides that the headquarters must be in Western Australia, the chief executive officer must be ordinarily resident in Western Australia and that the majority of the directors will have to be ordinarily resident in Western Australia. However, we cannot get away from the fact that the owners of an enterprise are entitled to expect control. It does not matter where their subordinates live or where the headquarters are situated. The owners are entitled to exercise control and they will exercise their rights as owners.

I refer now to the market structure that will result from this proposed legislation. The State has previously privatised businesses such as BankWest and the SGIO that have had simply a share of a competitive market. With AlintaGas, the Government proposes something different from those privatisations.

The Government is proposing to sell a vertically-integrated monopoly. AlintaGas has 100 per cent of the retail and distribution market in Perth and some country areas. AlintaGas has 10 495 kilometres of gas distribution lines and 400 000 customers. This retail and distribution monopoly will go from public hands into private hands. What is the usual check or accountability mechanism on public providers in a natural monopoly? It is democracy - Parliament and the ability of members of Parliament to ask questions, to seek information and to criticise. Another check is the ability of the electors to change the Government if they do not like the way the Government is handling a utility. There are also other checks; freedom of information legislation, the ability of the Auditor General to audit a utility and the ability of the Ombudsman to deal with complaints made about the way a utility has treated people. If we privatise AlintaGas, we lose all the usual checks and balances which apply to a publicly owned monopoly. We lose the ability to ask parliamentary questions about the activities of AlintaGas, we lose the rights of the Auditor General and the Ombudsman to inquire and we lose the right of people to change the Government and have an impact if they do not like the way a utility is behaving. All of those things will be gone. What will we have in return? The usual checks on private providers are competition and the market but there will not be competition with the privatised AlintaGas. There certainly will not be competition in distribution. We cannot have two sets of pipelines running down the streets to allow two gas distributors to compete. I know the minister will say there are arrangements which may obviate that problem. The minister might say an independent gas pipeline regulator has the job of approving access codes for pipelines. That regulator is now considering an access code for the AlintaGas distribution system. There is also a gas disputes arbitrator to arbitrate disputes between prospective users and pipeline service providers. Nevertheless, there is real scepticism in the market about the effectiveness of these mechanisms. No matter what people say about access codes or arbitration, there is always scepticism about the ability of others to access infrastructure. This is an important issue because AlintaGas is being privatised as a vertically-operated monopoly. AlintaGas has trading, retail and distribution operations and it will be sold as a single entity. When others want to compete in the trading and retail areas, they will find they have to use the AlintaGas distribution system and they will feel that AlintaGas retailers and traders will have an advantage over them because of AlintaGas' ownership of the distribution system. I know the minister will say AlintaGas is being sold as a ring-fenced business; that the distribution people are not supposed to be assisting the retail and trading people. According to the minister's rhetoric, the Government is selling it as a "stapled ring-fenced business". The problem is people do not accept access codes, arbitrators and ring-fencing as the full answer to those difficulties. In their view, the full answer is to separate the retail and trading operations from the distribution operation. Only if we have that disaggregation of these operations will the market be confident that the competition will be fair and that

the competitive environment will be truly competitive. Regardless of what the minister does, we cannot legislate against corporate loyalty and informal contact or communication. The Parliament cannot legislate against the knowledge people acquire while working in an organisation nor can it legislate against the information advantages people acquire. As someone said to me, these people eat in the same staff canteen. In these days of downsizing they may not eat in the same canteen but perhaps they drink in the same pub on a Friday night after work or perhaps they are transferred from one part of the organisation to another and carry that information with them. The information cannot be wiped out of their minds like a computer disk might be wiped, they carry it as a competitive advantage into their new roles. The difficulty with these areas is they are highly technical. In talking about access to gas pipelines or gas distribution systems many technical issues need to be considered. Discretion and judgment need to be used on these issues. There are limits to the certainty and clarity of the answers which can be given. In the end, someone needs to make a judgment and there will be an argument about the way that judgment was exercised.

While there is vertical integration and while AlintaGas owns the distribution system and is a retail and trading competitor, there will always be doubts about the fairness of the competition. Therefore, the minister's proposal compromises competition in the gas industry. There is a reality to the way the compromise has occurred and there is a perception problem. If the reality produces a certain sized problem, the perception probably produces an even worse one. If the minister truly wants the market to believe there will be fair competition in gas trading and retailing, AlintaGas needs to be broken up and its distribution options need to be separated before it is privatised. Otherwise, the objective of cheaper gas is undermined, gas consumers will lose out because the competition will not be as vigorous as it could be and the small business and residential customers will lose out the most.

The Labor Party does not agree that AlintaGas should be privatised. However, it says if the Government is to privatise AlintaGas, it is using the wrong model. If AlintaGas is to be privatised, it should not be sold as a vertically-operated monopoly. The Labor Party is not alone in those views. I will quote the Standing Committee on Uniform Legislation and Intergovernmental Agreements in its report on Competition Policy and Reforms in the Public Utility Sector. On page 45 of that report, the standing committee states -

... there may be a number of issues concerning the privatisation of AlintaGas that need to be addressed including the need to restructure AlintaGas. The Government should proceed with caution when transferring a public monopoly to a private monopoly.

Of course, the coalition has a majority on the Standing Committee on Uniform Legislation and Intergovernmental Agreements. It is not Labor dominated and this is what the minister's own coalition backbenchers said. Interestingly, the report also quoted submissions from others including one from the Chamber of Commerce and Industry of Western Australia which stated -

AlintaGas should be broken up to allow true competition and lower gas prices. Concerns have been raised by others that selling AlintaGas would only create a private monopoly and prices would increase.

I will quote from a third body, the Chamber of Commerce and Industry of Western Australia and the Chamber of Minerals and Energy of Western Australia, which commissioned a report from ACIL Consulting. It thinks AlintaGas should be privatised. I do not agree with that recommendation. The last page of the executive summary of the report entitled "Microeconomic reform in Western Australia: Gas Markets", delivered in March 1999 states that the retail and distribution components of AlintaGas should be vertically separated with the creation of two separate enterprises.

Mr Barnett: I spoke at a forum on this report. It is a particularly incompetent piece of economic analysis. Most of its basic premises were wrong. I will concede there is an argument for breaking up AlintaGas, and I will respond to that later; however, that ACIL report was a very poor piece of economic analysis.

Mr RIPPER: I am principally relying on the argument, but I do not mind quoting three other sources which support my argument and which dispute the view the minister has taken in this matter. Those other sources are not exactly left wing. Surely ACIL Consulting is not left wing, the Standing Committee on Uniform Legislation and Intergovernmental Agreements, which is dominated by coalition backbenchers, is not left wing, and I have not noticed anything left wing about the Chamber of Commerce and Industry of Western Australia. They all support the argument put by the Opposition and do not agree with the argument put by the minister. When the SGIO privatisation was being considered, the minister was very concerned about the effect on competition in the market. There is a lot about these matters on the record from the minister. I will quote the minister when he was in Opposition speaking on Thursday, 12 November, 1992, and recorded on page 6828 of the *Hansard*, which states -

The most likely outcome at the end of the day, because of the way in which the Government is going, is that there will be less competition. That may take three or four years, but there will be less competition.

The minister said that with regard to the privatisation of an agency which had 30 per cent of the insurance marketplace. Now he is resisting that same view when he seeks to privatise an agency which has 100 per cent of the residential and small business market.

This brings me to my next argument. My view is that the Government has placed the privatisation agenda ahead of the competition agenda. That is shown by the anti-competitive aspects of the privatisation model.

Mr Barnett: I will ask a question: If AlintaGas remained in government control, should it also be split?

Mr RIPPER: Given that more competition is needed in the gas market, there is a very good argument for that. If AlintaGas is to remain in public hands, if the Bill does succeed, the minister will have to wait a little while before we present our

finalised policies. Our view is that competition is the most important value if we are seeking cheaper energy prices. Privatisation ranks a long way behind competition if the only objective is cheaper energy prices. Competition is the top priority for cheaper gas and the Government has placed privatisation ahead of that value. Why is that? Why has it adopted the wrong privatisation model? Why has it put privatisation ahead of compensation? There is a simple answer: The sale price to the Government is less if AlintaGas is not sold as a vertically-integrated monopoly.

Ms MacTiernan: This all sounds very familiar.

Mr RIPPER: I am aware that the member has been advancing exactly the same arguments with regard to the privatisation of Westrail's freight operation.

Mr Cowan: With about the same degree of futility, I might say.

Mr Ainsworth: Is this tedious repetition?

Mr RIPPER: The member for Roe, who should be concerned about the privatisation of the Westrail freight operation, given that he represents a country area, talks about tedious repetition. The only tedious repetition is the Government's approach to these issues. It should recognise that it is important to preserve competition in these arenas. The consumers, whom the Government purports to represent, should get the best deal possible. It does not want to do that because it is concerned about the amount of money that will come into its coffers. The minister is quoted in *The West Australian* of 30 March 1999 as saying that AlintaGas is small and to sell it as a split utility would mean less return for taxpayers.

Mr Barnett: Absolutely true. That is correct.

Mr RIPPER: That is the nub of the issue: The Government is putting the interests of Western Australian taxpayers and consumers behind its budgetary difficulties.

Mr Barnett: Which gas utility in Australia would you see as a model for privatisation?

Mr RIPPER: If the Government wants to see the policy we are taking to the election, it will have to wait a little. We will not fire all our shots at once. I assure the minister that if we succeed in our opposition to the privatisation of AlintaGas - we have hopes for that result in the other place - and AlintaGas is still here for us to have a policy on, we will have a policy on it. It will emphasise competition and the need to deliver cheaper energy prices to gas consumers.

I come back to the State Government's budgetary difficulties. There is no doubt that the State Government has serious budgetary difficulties. In this year's budget on a cash basis there is a \$640m deficit - I stress that figure - in the general government sector. The Premier, who is also the Treasurer, has been in a state of denial about that. It has been suggested by some economic commentators that perhaps he does not understand his own difficulties. That is the bottom line on the basis of the rules of the Australian Bureau of Statistics for reporting government accounts on a cash basis. The bottom line is a \$640m deficit in this financial year in the general government sector. Further, in the budget the Government has forecast economic growth in Western Australia of 4.5 per cent. That is not supported by others who have examined this issue. They are forecasting lower growth rates. That is certainly the information coming back to us from the community. As we move about the community, we hear there is considerable doubt that the Government's forecast of 4.5 per cent economic growth in the budget papers will be met. The economy is slowing, with consequent revenue implications for the Government. The growth forecast will not be met and the revenue forecast most likely will not be met. On top of that, the Government must look forward to the implementation of the commonwealth goods and services tax. We are in some difficulty because the Treasurer, the Premier, refuses to release the Western Australian Treasury analysis of the impact on Western Australia of the revised GST package.

However, the Opposition calculates that in year one of the goods and services tax, the State Government will be \$240m worse off than it is under current arrangements. We also calculate that in year two of the GST arrangement the State Government will be \$219m worse off than it is under current arrangements. If the State Government wants to rebut those calculations, it must come clean with the public and release the WA Treasury analysis of the impact of the GST. Unless it releases that analysis, there will be no credibility in any purported rebuttal of those opposition calculations.

In addition to those considerations, we know that the State Government has a budget crisis in meeting service delivery areas. My colleague the member for Thornlie, the shadow Minister for Health, has been pursuing the question of cuts to the budgets of metropolitan hospitals. The Minister for Health has ducked, weaved and claimed ignorance. However, we know in the end he will be forced to reveal the true situation - that the Government is cutting the budgets of metropolitan teaching hospitals.

We also know that there is a problem in education. The previous director general told the estimates committee that she had established an expenditure review committee in education to consider ways in which the Education Department could meet its budget targets. We are therefore standing by for recommendations from that expenditure review committee which will resolve difficulties in the education area.

In addition to that, we have a Premier who is obsessed with icon projects; a Premier who prefers to spend money on a belltower rather than on metropolitan teaching hospitals; a Premier who prefers to spend money on a convention centre rather than on an incentive scheme which could deliver teachers to country schools where the Government has not been able to supply them. We therefore have a problem which is recognised by not only the Opposition and the community but also by the Deputy Premier and Leader of the National Party, who said that there should be a mini-budget and who criticised the Premier for his spending on icon projects.

This Government has budgetary difficulties. It wants to deal with those budgetary difficulties by privatising AlintaGas; after all, the Government faces an election in the next financial year. In addition to all of those existing budgetary difficulties, the slowing in economic growth, the effects of the GST package and the effects of wrong priorities, the Government will need money so that it can promise people enough, it hopes, to secure its re-election. That money is proposed to come from the sale of AlintaGas, which is very short-term thinking. The Government has concentrated on the sale proceeds of AlintaGas. It has not told us very much about the money which AlintaGas earns. I will refer to some opposition research on the amount of money flowing to the State Government currently from the operations of AlintaGas. In 1998-99, AlintaGas reported an operating profit after income tax of \$30m. Excluding moneys associated with the sale of the Dampier to Bunbury natural gas pipeline, it returned to the Government more than \$35m in income tax equivalent payments and dividends. Current forecasts predict similar returns to the Government in future years.

The Opposition asked the Government in the estimates committee process about its expected return from AlintaGas in the forward estimates. The information given to us by the Government indicated that AlintaGas is expected to return \$73m in dividends in the next four years and another \$58m in company tax equivalent payments. Therefore, the Government, if it retained ownership of AlintaGas in the next four years, would receive \$131m in dividend and company tax equivalent payments. Using those government figures for dividends and tax equivalent figures, we can work back to look at AlintaGas's anticipated profits. We have imputed AlintaGas's profit forecasts from the figures given to us by the Government. Those figures show, on that basis, that AlintaGas forecasts an increase in after-tax profit from \$29.8m in 1999-2000 to \$35.8m in 2002-03. Profit before income tax is expected to increase from \$46.9m in 1999-2000 to \$55.8m in 2002-03. This Government is proposing to privatise a utility which is forecasting increases in profits and returns to the Government. That is the side of the economic equation about which the Government never talks. It talks about the proceeds of the sale of AlintaGas and the opportunity for mums and dads. It does not talk about the fact that AlintaGas is profitable, it services its debt, makes returns to the Government and is already owned by 1.8 million Australians. We are not alone in pointing to the way in which the Government fails to deal with that side of the argument.

I will quote from The University of Melbourne research paper No 665 of 1998 by M. Harris and J. Lye entitled *The Fiscal Consequences of Privatisation: Australian Evidence*. On page 3 of the paper the authors say -

Although raising revenue is an important motive for some governments to privatise, it has been widely recognised that the fiscal gain is illusory. The apparent gain stems from the accounting convention that sale proceeds are recorded in their entirety, yet the loss of future income stream from profitable enterprises that are sold is not. Indeed, the future proceeds forgone are unobservable.

Therefore, some of the academic commentators have pointed to the short-term thinking that lies behind many of the privatisation proposals that are implemented by Governments in this country.

The Organisation for Economic Cooperation and Development also makes a similar point. I quote from an OECD publication which reads -

... governments are increasingly coming under **budgetary strain**.

The OECD must know something about Western Australia. The publication continues -

In this respect, the privatisation of state companies is attractive by removing the need to transfer resources to companies running deficits and/or by generating revenues from the sale of companies. However, by selling off companies, the government gives up the future dividend stream from these assets, leaving the net effect on government wealth difficult to assess. Also, it is crucial that the proceeds from privatisation are not utilised to relieve pressure for taking measures against structural budget deficits.

That last point is a very important one. This is the Government's fix for its budgetary difficulties. This is the short-term answer to all of those problems confronting it now and the need to have something in the war chest before it goes into the election campaign. It is the answer for a Government which cannot make difficult decisions. It is an answer for a Government which has a ramshackle public sector which it cannot modernise and rationalise. Others have been pointing to the lack of fiscal discipline in the Government; others have been pointing to the way in which the Government cannot manage itself; others have been pointing to the Government's poor priorities in the way it handles its funds. The Government is avoiding those difficult decisions and going for the short-term fix - the influx of a large amount of money from the sale of an asset at the expense of the loss of that income stream in the future. The Government does not care too much about the loss of income streams in the future; its priorities are right now. It needs the money now as there is an election coming up and it has financial difficulties. It is prepared to sacrifice the interests of Western Australian taxpayers and the interests of Western Australian gas consumers in order to fix up its budgetary problem.

Gas consumers, in particular small business and residential consumers, will be losers in this matter. Under public ownership the gas bill for a typical household has not increased in the past three years. A typical household would have spent on gas \$315.69 in 1997-98 and 1998-99 and is expected to spend that amount in 1999-2000. That will not necessarily apply after privatisation. I was amazed to hear in the media the minister linking privatisation with lower gas prices. There seems to be no reason that privatisation and lower gas prices should be linked. It is competition which delivers lower gas prices, not privatisation. If the minister can deliver lower gas prices with a privatised entity, he can deliver it with a publicly-owned entity. There is no reason we should not get a similar result from a publicly-owned entity and a privately-owned entity.

The minister says that a key condition of the sale will be a nil tariff increase in 1999-2000 and again in 2000-01. The first part of that condition is virtually worthless, because I do not think AlintaGas will be privatised in 1999-2000 if the Government's legislation is not effective until the last months of 1999-2000. Another condition on the sale is that the tariff

would be not increase more than the consumer price index in 2001 and 2002, and that from July 2002 tariff increases will be capped at no more than the consumer price index plus 2 per cent. The budget forecast for the CPI is for an increase of 2.5 per cent in Western Australia in 2001-02 and again in 2002-03. If we applied the minister's special condition, we would add 2 per cent to those figures. The minister's sale condition allows increases in gas prices of 4.5 per cent per annum in just a few years' time.

Mr Barnett: You have completely misunderstood me. The ongoing regulation says that the average price increase will be kept to the CPI, but increases for individual customers may vary. The tariff structure may vary, so individual bills may increase by more than the CPI, but it will not be more than CPI plus 2 per cent, and other bills will decrease. The average across all residential and small business will be capped to the CPI; and some bills will be below and some above the CPI.

Mr RIPPER: The minister said that on average people will have increases of 2.5 per cent, which are the CPI forecasts, compared with the situation in the past three years under public ownership where they have had no increase at all. The minister also conceded that some individual consumers may face increases of up to 4.5 per cent, whereas in the past three years they have not had any increase at all. The minister has slightly clarified the issue and the situation is perhaps not as bad as our interpretation of his previous explanation of the sale conditions. However, it is still worse than the performance for gas consumers under public ownership.

I have outlined the arguments and the important reasons the Australian Labor Party opposes this privatisation. I will conclude by saying that the Labor Party is drawing a line in the sand on the issue of privatisation. The Australian Labor Party will not privatise AlintaGas, Western Power, Westrail Freight or the Water Corporation if it has any say in the matter. We agree with the community of Western Australia that these strategic public utilities should stay in public ownership. We call on the Government to recognise that this is the community view, and to desist from its proposal to privatise AlintaGas without having consulted the people of Western Australia, and without having sought a mandate from them at an election.

**MR GRILL** (Eyre) [12.06 pm]: I speak in support of the member for Belmont. I want to make it absolutely clear that members on this side of the House concertedly oppose the privatisation of AlintaGas. In putting forward that position on behalf of the Australian Labor Party and in support of the member for Belmont, I say that I have always had some doubts about the privatisation of utilities and other agencies in Western Australia. That is mainly because of the special circumstances in this State.

If we privatise a utility or government agency such as the R&I Bank and the SGIO in this State, we will send control outside this State. In doing that Western Australia will lose a range of employment and financial opportunities. There are special considerations for privatisation in Western Australia which do not necessarily apply to the privatisation of a similar agency in Sydney or Melbourne, where such an arrangement would be likely to keep the management, shareholders and operations within the State. I have read the statements made by the minister handling this Bill, and he is not unequivocal on this issue either. The minister made some strong statements when the privatisation of the SGIO came up. He has made a number of other statements since then, which I can quote if he likes, that demonstrate clearly that the minister holds views similar to mine about the privatisation of major assets in Western Australia. I do not hold strong philosophical views about privatisation. However, I hold strong views about privatisation as it applies to this State.

In the opportunity I have to speak on this matter I want to examine as analytically as I can the reasons put forward by the Government for the privatisation of AlintaGas. Those reasons will not stand up to scrutiny. I want to go through the list set out in the minister's second reading speech, which enumerates one after the other the reasons there will be benefits to the State. The first was that a benefit would accrue because it will minimise exposure to the business risks of competition as the gas market becomes fully deregulated. We all know that full deregulation will take place on 1 July 2002. The statement made by the minister begs the question whether there are any significant risks from competition in that sort of situation. I would say that there are not. We do not have an interconnected grid going from our State to another State with either the gas pipelines or electricity transmission lines. I realise that some risks from competition apply to being part of that electricity market in the eastern States - they are being exposed right now - but those risks do not apply in this State.

I draw attention to the expertise available in this State. The minister would be one of the first to concede that we have a high degree of competence and experience in selling and distributing gas in this State. We have a good team which has been in place for 15 years or so. Even the new entity of AlintaGas has been in place for five years, and has operated competently and been able, by and large, to keep rises in gas prices to a minimum; in fact, we have seen no real increase in gas prices for seven years.

Mr Barnett: The term of this Government in fact!

Mr GRILL: That is a tribute to Governments of both persuasions as we put in place a regime through the Carnegie report which aimed at producing that situation. This Government has put it into effect. It has not gone as far as we would have liked, and I will go into that aspect later. However, no-one can say that AlintaGas does not have a competent team in Western Australia, as it has one of the best teams in Australia.

At the same time, this State does not have any major private enterprise competitors which are likely to become a predator of AlintaGas in the short, medium or foreseeable term. AGL Pipelines Limited may have been in the market for 100 years and tied up the market in New South Wales, but no-one of that ilk is in Western Australia today. AlintaGas is not at risk from any competitor on the horizon. AlintaGas has demonstrated that it can deal competently with the deregulated market. Public enterprises can be at the leading edge in technology, labour relations and efficiency. In that sense, one needs to look no further than Pacific Power, which is part of the generating arm of the New South Wales Government and which operates in New South Wales, other parts of Australia and is now starting overseas. It operates in Western Australia, not to put too

fine a point on the matter, through the new Collie coal-fired power station. Government-owned utilities can be competitive, efficient and at the leading edge in technology. Pacific Power is such an animal.

The second reason that the minister put forward for privatising AlintaGas is that it would release state capital for other purposes. The Deputy Leader of the Opposition has dealt with that question to some degree. I go a little further: In my view, this Government has had in the past a misguided preoccupation with debt. Debt in itself is not a problem. All major private enterprise corporations operating in Australia or worldwide today have a fairly healthy amount of debt within their portfolio. In commercial terms, it would be thought to be silly for all the capital of a corporation to be taken up by equity. It is essential these days that the financing of big corporations be provided by equity and by debt. It would be bad management if that were not the case, as borrowings are part of any corporate strategy. The real question, which is not always addressed in Western Australia as effectively as it could be, is whether debt can be serviced. That question applies to both the private and the public sector. I have always argued to Treasury, especially when in government, that it never effectively made any distinction between debt which could and debt which could not service itself. That distinction needs to be made. This Government has not brought out that distinction either.

AlintaGas certainly has debt of about \$600m, I think, but it is not exorbitant or out of control.

Mr Barnett: It is \$232m.

Mr GRILL: That is debt serviced year in, year out. It is not exorbitant nor a problem. It is self-contained debt and should not spill onto the public balance sheet. It is fully serviced from, and self-contained, within AlintaGas. Why does the Government have this fixation about debt, especially regarding this corporation?

Mr Barnett: Part of the proceeds can be used to retire debt which is not self-serviced.

Mr GRILL: That is true. However, as soon as that is done, one must look at the other side of the ledger. As the Deputy Leader of the Opposition already indicated, Governments and economic analysts do not always look at the other side of the ledger; that is, the dividend stream and tax equivalents. A growing body of opinion on privatisation is that these two elements have been underestimated in the past. This Government is fudging the books a little: It is running a deficit budget and, frankly, I see no problem with that. The Government has been caught: It made such a fuss about debt prior to being elected in 1993 that it is hoist with its own petard. All the analysts who looked at the last state budget will attest that it was a deficit budget. The Government is not prepared to admit that fact, yet the evidence stares it in the face.

Mr Pendal: The state debt, to the government's full credit, is at its lowest level in recorded history. You could over emphasise that at some point.

Mr GRILL: If one looks at it historically, as suggested by the member for South Perth, or in terms of economic analysis, we have had a fixation on debt in this State for some time. This was caused largely by the fetish of members opposite prior to the 1993 election.

The other side of the ledger is that if one sells off assets, one loses very good assets and investments along with the dividend stream and tax equivalents. With the sale of AlintaGas, and any other asset, we must consider the whole picture, not part of it. It may not be good financial management to sell off this investment, especially during years of low interest rates, which it appears will extend into the foreseeable future.

The next reason the minister gave in the second reading speech for the sale of AlintaGas was that it would "provide opportunity for share ownership to all Western Australians". That can be argued both ways. Many people would argue that all 1.8 million Western Australians already have a shareholding in AlintaGas indirectly through their Government. On the other hand, once this agency is privatised, if it is privatised, approximately 100 000 private investors may become individual shareholders. What is our experience in that regard? What happened despite the lengths to which we went to ensure that the privatisation of the State Government Insurance Office would result in a healthy number of Western Australian shareholders? The share brokers who had control of the float immediately began selling most of the shares in the eastern States that were earmarked for the mums and dads here. The minister knows that himself.

Mr Barnett: It is a good point. The same issue arose to some extent with BankWest, and special provisions will be included in the legislation to ensure that is not repeated.

Mr GRILL: Is that the first time the minister has said that?

Mr Barnett: It is the first time I have probably said it publicly.

Mr GRILL: What will the provisions be?

Mr Barnett: We hope over the next few weeks to make announcements about who the lead managers will be in the float and the rules of the game. Certainly I am conscious of that point and so is the steering committee. It is a good point.

Mr GRILL: We look forward to seeing them. I reiterate that this minister had considerable concerns about the concentration of shareholdings in the SGIO and the R&I Bank Ltd and all his fears came to pass because concentration of shareholding has occurred in those two companies. By and large, Western Australian shareholders hold, proportionately, a very small number of both of those institutions. When he refers to providing an opportunity for share ownership to all Western Australians, much of that is rhetorical. We look forward to seeing the regulations and other procedures that might be implemented to ensure that, initially at least, Western Australians share fairly in this float. Nevertheless, most members will agree that over time it is highly likely that we will see concentrations in shareholdings and the move off-shore of share ownership that occurred with the R&I Bank Ltd.

Mr Barnett: Inevitably in a secondary market the institutions tend to buy from the mums and dads. However, we should bear in mind that the institutions reflect superannuation funds and in that sense a broad public ownership.

Mr GRILL: We tend to agree on that. Even if an opportunity for shareholders in Western Australia to take up part of the float arises, is it important? Shareholders in Western Australia have many opportunities to partake in share floats and the stock market. A growing number of people do that. Do they have to do it on this asset at this time?

The next benefit that the minister put forward was that we would see "maximising of the value of Alinta business to the people of the State". I am not sure what that means. It certainly sounds good. However, is it anything more than rhetoric?

One could argue that having Alinta in public hands is maximising the value of Alinta business to the people of the State. That appears to be somewhat contradictory. I do not know what it means. I hope the minister will elucidate on that when he responds.

Mr Barnett: I will give it a go.

Mr GRILL: The next benefit warms the cockles of our hearts and is something that we would all like to see; that is, lower gas prices to consumers. I make the argument again that, by and large, with its current expertise and management, AlintaGas has done that. The minister has boasted this on a number of occasions and repeated that boast in this debate today. Those costs have not risen in the past seven years. In fact, in real terms they have decreased. The current Alinta in public hands has been able to achieve the very benefit that the minister now proclaims will be brought about by privatisation.

The minister's statement is somewhat dubious. The Deputy Leader of the Opposition mentioned it, but I do not know whether he made the point as clearly as he could. However, the minister's speech contemplates that over the next year or two there could be a 4.5 per cent increase in prices.

Mr Barnett: Only for individuals, not any category. The average increase will be kept to CPI, but individuals - probably low gas consumers - may find a small increase. However, the dollar impact of that will be absolutely minimal.

Mr GRILL: The minister said we will peg any future increases for the next year or two. Frankly, one of those years will be eaten up in any event by the process of putting together the whole sale.

Mr Barnett: We have already announced a zero increase for 1999-2000.

Mr GRILL: Up to 2002, under the pegging process to be implemented, we are looking at a 4.5 per cent increase. That is not as good as that achieved under public ownership. Despite the minister's explanation of that matter, it still holds.

I was in England a few weeks ago. In the past, we have heard horrendous stories from the United Kingdom regarding the price increase that occurred after the privatisation of some of the major utilities in that country. It has been said since then, and it is more than partially true, that we have learnt from what occurred in the UK. We now know that we can hopefully put in place mechanisms that will prevent the price hikes the UK saw with water, electricity, gas, etc. However, when I was in the UK - I think it is a continuing syndrome - a major controversy was raging about the emoluments going to fat cats that have headed up these corporations. People in the UK are incensed about it. The share options being granted and the salaries they are paying themselves are obscene. Despite the outcry, nothing has been done about it. These are the fat cats of the fat cats in the UK. When I was in England, day after day, stories were being run in the Press about these share option placements.

The next benefit to which the minister referred was that it clearly separates the government policy and regulatory functions from its participation in the gas market. That is true, but it is a bit of a red herring because we certainly do not need privatisation to do that. New South Wales has done it far more effectively than we have done it here, without a hint of privatisation.

Mr Barnett: Gas in New South Wales is owned by AGL which has always been private.

Mr GRILL: I am talking about electricity in New South Wales.

Mr Barnett: Gas has been privatised in New South Wales for a long time.

Mr GRILL: Let me make a correction: I am talking about energy.

Mr Barnett: I make the point also in light of the comments made by the Deputy Leader of the Opposition that AGL in New South Wales is a vertically-integrated utility. It is doing alright.

Mr GRILL: It has been in place for 100 years and the minister knows that as well as I do. The New South Wales Government cannot do much about deregulation at this stage, it is there, but this Government can do something about it. The Labor Party would say the Government has largely done the job, although Labor would have gone further. Not by a long stretch has the Government picked up all the recommendations of the Carnegie report. The minister has an aversion to competition, which I will deal with shortly. Not only does the minister have some aversion to privatisation, but based on his previous statements, he also has a real aversion to competition.

Mr Barnett: You will have me in the left wing of the Labor Party soon.

Mr GRILL: Come across. Be my guest.

Mr Barnett: We always reckoned you should be over here.

Mr GRILL: The truth is that we do not need privatisation to ensure the regulatory processes are separated from the commercial processes. Other States have gone much further in separating those processes without getting into privatisation. Ultimately, the Opposition would like to see the Government go further in that respect when this Bill is defeated. We say very strongly that in any event this legislation should not go through without some splitting of the distribution activities of AlintaGas from the gas sales activities. Nearly every commentator has made that point and I do not want to labour it too much. The Chamber of Commerce and Industry of Western Australia and the Chamber of Minerals and Energy of Western Australia make that point. Almost anything from the Australian Competition and Consumer Commission makes that point. A range of economic commentators make the point that there needs to be some splitting up of those two activities. The minister talks about these two activities being run quite separately within the new AlintaGas in a "stapled" form with ring-fencing of the two. The minister knows better than any other member in the House that that sort of ring-fencing does not work; it is rhetoric, it does not work and it has never worked anywhere. If one wants proper ring-fencing, one separates the two parts as recommended by the Carnegie committee report and by almost every other commentator on this subject.

Mr Barnett: If the Labor Party is ever returned to government, will you be splitting AlintaGas if it remains in public ownership?

Mr GRILL: Quite frankly, I cannot tell what my colleagues will do.

Mr Barnett: We know that.

Mr GRILL: I have given up on that. However, I make the point that the Government says it is really splitting the two and they will simply be stapled together, they will be run separately and ring-fenced. I say most people do not believe that sort of ring-fencing will work. Members should look at the electricity experience of New South Wales or Victoria. Even Victoria, which is about as keen on privatisation as a State can get, broke up these agencies - the gas corporation was broken up as was the power generation. In New South Wales the agencies were not privatised but they were still broken up. Electricity was broken up into three generators and distribution to six. There is a separate transmission line operator, which is critical, and there are 26 retailers. Here the whole lot is vertically integrated in one body without any competition at all. The one thing that concerns me about the anti-competitive stance of this Government pursuant to this Bill is that it will entrench more anti-competitive provisions in this legislation. We will prevent the only competitor on the horizon for AlintaGas from competing for at least five years. We will tell Western Power that for at least five years it cannot compete against AlintaGas when it is privatised. What are we saying about AlintaGas? We are saying a privatised AlintaGas can compete against Western Power as much as it likes and when it likes. However, in itself, this legislation is highly anti-competitive because it places AlintaGas in a privileged position; that is, locked away from any real competition. The only competitor on the horizon in Western Australia today is Western Power.

Mr Barnett: That is just not true.

Mr GRILL: Tell me who else.

Mr Barnett: CMS have already committed to sending a gas distribution line into the Canning Vale industrial site. You may well get urban subdivisions in the future serviced by totally independent gas pipelines tied into particular gas producers. This notion that AlintaGas has a natural monopoly is evaporating.

Mr GRILL: I have spoken to representatives of CMS Gas Transmission of Australia and had lunch with them up here. They complained as loudly and as long as Normandy does about the anti-competitive stance taken by AlintaGas itself. The minister knows CMS does not have the structure to be a real competitor with AlintaGas in the short or medium term. The minister knows that the only real competitor on the horizon in this State is Western Power and the Government is keeping it out of the market. The Government is keeping Western Power out of the market for only one reason and it is the same reason the Government ensured that there was no competition in the Dampier to Bunbury natural gas pipeline. We will never get a second pipeline there under the Government's policies. The Government is keeping Western Power out of the market because its only objective is to maximise the bottom line in the sale. In due course, the consumers of Western Australia will pick all of that up because our tariffs will not go down in the way they should. The proof lies in the fact that despite the seven years the Government has been in power, Western Australia still easily has the highest power prices in Australia.

**MR BROWN** (Bassendean) [12.36 pm]: The first question on the Gas Corporation (Business Disposal) Bill 1999 concerns the general issue of public versus private ownership and the changes we have seen in the operation of entities when ownership has shifted from the public of Western Australia to the private sector. It is important when we are trying to work out the appropriate balance between public and private to determine to whom organisations owe allegiance and that depends very much on whether they are public or private organisations. We all know that under the Corporations Law companies owe their allegiance to shareholders. Shareholders are the most important group which companies must satisfy. If shareholders are not satisfied with the dividends being paid, they will transfer their funds elsewhere. The satisfaction of shareholders and the maintenance of the confidence of shareholders so they leave their funds in the company becomes critical for a private company. A public company has a much wider mandate. A public trading company must satisfy its shareholders - that is, the Government - with its performance and with its level of return if it makes a return. However, it must also satisfy the general community with the standard of service it provides. If it does not satisfy the community with its standard of service, there will be complaints and potentially intervention by the minister to instruct that organisation to provide the level of service demanded by the community. The pressures on a public organisation versus those on a private organisation are quite different. It is interesting to look at what that means for industry development and for consumers in Western Australia.

For some time I held the opposition tourism portfolio and met with tourism operators in both metropolitan and regional



Western Australia. A critical matter raised by the tourism operators was the fact that they thought state development was being held back because airlines would not fly to various parts of the State or put on sufficient services to Perth and as a result tourism and economic activity was being held back in the regions and Perth.

There is nothing the Government can do about that. The number of flights that will go into Perth, Carnarvon, Exmouth or wherever is a matter for the private sector. The private sector airlines will make that determination according to the profit they can derive from running those services. When I was in Exmouth a week and a half ago a number of operators expressed concern about the poor service that is provided to Exmouth. The only way to get there by air is via Carnarvon. On the days when the plane is full, one might not be able to get to Exmouth. That means private organisations are not interested in looking after the interests of hoteliers or in helping fill tourist resorts in Exmouth or anywhere else. A private organisation, with its duties and responsibilities to shareholders, is looking at maximising its use of aircraft for optimum financial effect. If that impacts on industry development in part of the State then so be it. It is not their concern.

BankWest was in public hands at one stage. It was sold by the Government some four to five years ago. The change in BankWest's ethos can be seen. It was publicly-owned and it is now privately-owned. Its allegiances are to its shareholders, not its customers. BankWest has just introduced new fees on bank charges for low-income account holders. The public interest test that might have been applied by BankWest being in public hands no longer applies; it is now in private hands.

Telstra was a fully public organisation and as such has an obligation to provide services of a certain standard to the community. Now 49.9 per cent of Telstra is in the process of being sold. What do we see as a result of that sale? The result is that Telstra now owes its allegiances to its shareholders. It has to look at how it can derive a higher income in order to pay higher dividends to its shareholders. Telstra now intends to impose for the first time ever, a service charge for directory assistance calls. A charge is to be imposed on mobile phone operators and, more importantly, on small businesses. Is this in the economic interests of the State or the nation? No, it is not. It is in the economic interests of shareholders who will see higher profits and dividends. The same situation applies for banking, tourism, telecommunications and airports. Airports now operated by private companies have a responsibility to deliver to their shareholders. What has happened to the level of service? I do not know whether any member has recently tried to speak to an operator or obtain information about arrivals or departures from Perth Airport. It is almost impossible. Even to get advice as to when flights arrive or depart involves a labyrinth of telephone numbers and agreement to pay 75 cents per minute to obtain information. I endeavoured to obtain some information about a flight that was cancelled. After four telephone calls and spending about \$12 I gave up in frustration. Why is this so? It is because the focus of the organisation is not on providing a public service. The focus is on maximising the return to shareholders. That is not a bad thing for organisations that do not have a public responsibility. There is nothing wrong with that. However, what we are talking about here is a monopoly. The Bill deals with a natural monopoly that has a public responsibility. One cannot move away from that. No matter what tests are put in this Bill and no matter what legislative constraints are imposed, it will be a privatised company. It will, under Corporations Law, have to seek and find ways to maximise its profits in order to deliver high dividends to its shareholders. That is its obligation. There is nothing wrong with that - that is what it has to do - but it is different from providing a public service to Western Australia. That is a different proposition altogether. Even having AlintaGas in public hands does not mean that it will take an economic development view in the operation of its business to make sure that economic development in Western Australia goes ahead. Even Western Power is making decisions now that will retard development in regional Western Australia. For example, in Carnarvon off-the-grid power charges have been increased significantly. Those increases are causing exporters in Carnarvon to look at relocating their businesses to areas on the grid.

The Deputy Premier has recently released a regional development policy that states the Government is interested in maintaining price parity between Perth and the regions. However, when power prices are increased to customers like Coles and various other groups in the area, the price increase will be passed on to consumers. So while it is true to say that even if an organisation is in public hands, it will not necessarily consider the public interest, there is at least a possibility of trying to get the organisation to consider the public interest. There is at least a possibility of raising with the minister the detrimental effects that are being felt as a result of the policies of the organisation concerned and trying to get the minister to intervene and to direct the organisation to operate in a public interest sense rather than just maximising its returns. If it is sold, that opportunity disappears. We then have a private sector body with a different focus. In my view that is what we will have with AlintaGas. We can already see the different focus that will occur if it is privatised when this Bill is passed. I have been advised of some of the cost-cutting measures in the area of employee superannuation that are intended to be put in place to ensure that the new operator is not met with the same costs as AlintaGas currently has. The Government proposes that, when and if AlintaGas is sold in accordance with this Bill, employees who are currently members of the state government superannuation scheme will not be able to continue to be members of that scheme. There will not be a requirement on the new owner to make contributions to that scheme in the same way as AlintaGas currently does. Their superannuation entitlements will be reduced. Why will that happen? It is because the Government does not want to saddle the new owner with a requirement to make a contribution to the government employees' superannuation scheme.

Debate adjourned until a later stage, pursuant to standing orders.

[Continued on page 1001.]

#### **HON NICK GRIFFITHS**

*Statement by Leader of the Opposition*

**DR GALLOP** (Victoria Park - Leader of the Opposition) [12.50 pm]: I refer to the article in *The Australian* newspaper today which refers to the entry in the WA Bar Association directory 1997 for Hon Nick Griffiths. Following a discussion with him, I have written to the Clerk of the Legislative Council requesting the Clerk to inquire into probity issues raised by

this matter and report back as soon as possible. He has agreed to do this. This course of action is fully supported by Hon Nick Griffiths who has offered to stand aside as deputy leader and finance and racing and gaming spokesperson pending receipt of the Clerk's report. I have accepted that offer. These actions demonstrate that the Labor Party and its members have a serious commitment to the highest standards of accountability. I will ensure Mr Marquet's report is available to the Parliament.

### **GNANGARA HIGH-VALUE BUSHLAND**

*Statement by Member for Wanneroo*

**MR MacLEAN** (Wanneroo) [12.51 pm]: I rise to highlight concerns of local residents in my electorate about some high-value bushland which is in danger of being destroyed by sandmining. In September 1998 an application was made for a sandmining licence on lots 6 and 7 Sydney Road in Gnangara. This was to be a considerable operation in which three million tonnes of sand would be removed over 10 years. Local residents were concerned not only about the size of the undertaking, but also that it was to take place in an area of high-value bushland. The residents were advised that this area was part of the bush plan and would be assessed along the lines of the value of the bush to the community as well as environmental considerations.

In January this year, the Environmental Protection Authority advised that it had not set any level of assessment for the extraction of sand on the site because of the bush plan. Residents were advised that due to the bush plan and the objections of the local residents there was little likelihood that the proposal would proceed. In May, an alternative plan for sand mining with an increased buffer was submitted to the local council to alleviate local residents' concerns; however, a large area of the bush plan was still at stake. In August the Department of Environmental Protection informed me that a proposal had been passed to the Ministry for Planning and negotiations were close to being finalised. Despite numerous requests, the information has not been supplied regarding the status and negotiated settlement.

### **ILLEGAL INVASIONS, CYPRUS AND INDONESIA**

*Statement by Member for Perth*

**MS WARNOCK** (Perth) [12.53 pm]: A Cyprian community function in Perth last night, at which South Australian Opposition Leader, Mike Rann, was the keynote speaker, caused many people to draw an irresistible parallel between two illegal invasions which took place around 25 years ago. In July 1974 the Turkish Government illegally invaded the island republic of Cyprus. It has remained divided ever since, with Turkey still occupying 37 per cent of Cyprus's territory, having forcibly expelled Greek Cypriots who were living there. Despite numerous United Nations resolutions calling for the withdrawal of foreign troops from Cyprus, it is still occupied. United Nations peacekeeping forces have been stationed on the island and talks will be held in New York this month. Cypriots live in hope.

As I said, that story bears a terrible similarity to the one on our doorstep. East Timor was invaded by Indonesia in 1975 and has been occupied ever since. The East Timorese have long called for international pressure for justice, just as the Cypriots have, and Australia is among the nations which finally pressured the Indonesians into holding a referendum on independence. Alas, as has now become very obvious, bringing in the United Nations and international observers to conduct successfully a relatively peaceful ballot on independence has not had a peaceful outcome - a shocking, bloody massacre by the occupying forces has taken place, and we all bear some responsibility. Australia has a particular responsibility as in a sense it does to the Cypriots -

[Member's time expired.]

### **COTTON PRODUCTION**

*Statement by Member for Geraldton*

**MR BLOFFWITCH** (Geraldton) [12.54 pm]: Recently I visited New South Wales and looked at its water supply processes. I went to Tamworth and discovered a huge cotton industry that thrives on underground water for irrigation. In looking at the problems we are having with growing grain and other crops and the prices being received for them, this Government should take up the option of growing cotton. We have a large underground water supply just south of Geraldton which runs down to Perth. Its volume is seven times that of Sydney Harbour, a massive reserve. Let us look at a feasibility study of growing cotton, which sells for between \$300 and \$400 a bale - a very profitable venture for the farmers on the east coast. It is something we should be looking at here and something I will be pursuing. I would like to see this area developed, bearing in mind that a new strain of cotton does not need to be treated with the massive quantity of insecticides that were needed in the past; therefore, it has become a much safer crop to develop. As a Government, I think we should be pursuing this option.

### **PATIENT ASSISTED TRAVEL SCHEME**

*Statement by Member for Burrup*

**MR RIEBELING** (Burrup) [12.56 pm]: My statement relates to the patient assisted travel scheme which is of vital interest to my area. On 24 August, the Minister for Health announced that a review was taking place for changes to the patient assisted travel scheme, for which we have been calling for a number years. The unfortunate thing is that the announcement said that public input had been taken into account. No-one in my electorate knows what that means. I am unaware of any public consultation throughout the Pilbara region.

As a result of this press release, I am preparing a questionnaire which will be distributed within my electorate in the hope

that the information gained from that survey can be used positively for the review of the patient assisted travel scheme. Unfortunately, it would appear that the minister's commitment to public input is zero, and I think that is a backward step. We will be directing to the minister all the information we gain about what people want in an expansion of the PAT system. I hope the minister can accept at a later date the input from my electorate.

### **BISSET AUTOMATION PTY LTD**

*Statement by Member for Joondalup*

**MR BAKER** (Joondalup) [12.57 pm]: Bisset Automation Pty Ltd is a wholly owned and operated private Western Australian company with its head office located in the Joondalup central business district. It is a major sponsor of the 1999 WA Youth Awards and the Joondalup City Soccer Club. It is a proven leader in the field of industrial control systems and has expanded rapidly over the past few years. It was listed at No. 49 in the prestigious 1999 *Business Review Weekly* top 100 fastest growing private companies, and currently employs approximately 35 personnel.

Its policy of continuous expansion and diversification has resulted in the signing this week of an historic agreement with the Echelon Corporation from the Silicone Valley area of California. It will represent this corporation as the only authorised network integrator in Australia. Under this agreement, it will bring to Australia the LonWorks world acclaimed standard in building controls technology. This technology will revolutionise the Australian building automation industry in such diverse equipment as security, access, fire and gas, lighting, elevators and energy management systems.

The new technology will provide significant benefits such as lower installation, maintenance and operation costs, together with improved energy management efficiency and remote monitoring and control facilities via the Internet. The architects involved with the design and construction of the new Joondalup Police Academy very shortly will be one of the first groups in Australia to be introduced to this new technology by Bisset Automation and it is hoped that it will be embraced wholeheartedly, thereby ensuring a state-of-the-art and world best practice academy.

It gives me great satisfaction to see progressive, forward thinking, high technology companies, such as Bisset Automation, selecting Joondalup for the location of their corporate headquarters.

### **WORKERS' COMPENSATION AND REHABILITATION AMENDMENT BILL (No. 2) 1999**

*Receipt and First Reading*

Bill received from the Council; and, on motion by Mrs Edwardes (Minister for Labour Relations), read a first time.

*Sitting suspended from 1.00 to 2.04 pm*

### **SPEAKER'S ABSENCE FROM THE HOUSE**

*Statement by Speaker*

**THE SPEAKER** (Mr Strickland): Members, I have two statements to make. Firstly, with respect to my absence from the House on Commonwealth Parliamentary Association business, I advise members that for the next two weeks I will be attending a general conference of the Commonwealth Parliamentary Association in my capacity as an Australian regional representative and a member of the executive committee of the association. The general conference and associated meetings of the executive committee and small countries conference will take place from 14 to 23 September 1999 and in my absence the Deputy Speaker will take up the responsibilities in the House.

### **MINISTERS' REPORTS ON COMMITTEE'S RECOMMENDATIONS**

*Statement by Speaker*

**THE SPEAKER** (Mr Strickland): Standing Order No 277 provides that a committee may give a direction that a minister report to the Assembly within not more than three months, or at the earliest opportunity after that time if the Assembly is adjourned or in recess, as to the action proposed to be taken by the Government on the committee's recommendations. It also provides that those directions and the time limit be recorded on the Notice Paper and that the Speaker will report any non-compliance to the Assembly.

I advise the House that, as is recorded on page 6 of today's Notice Paper, the Ministers for Health and Family and Children's Services were directed to respond to the recommendations of the Select Committee on the Human Reproductive Technology Act 1991. The date on which the response was due was 22 July 1999. The earliest opportunity after that date on which the ministers could have responded was 10 August. I report to the House that no response has been received.

**[Questions without notice taken.]**

### **METROPOLITAN HEALTH SYSTEM**

*Matter of Public Interest*

**THE SPEAKER** (Mr Strickland): Today I received a letter from the member for Thornlie seeking to debate as a matter of public interest the following motion -

That this House notes with grave concern the current state of the health system in Western Australia and in particular condemns the utter lack of economic and political leadership demonstrated by the Minister for Health and calls upon the Government to -

- (a) be honest and immediately reveal the proposed budget allocations for each of the metropolitan hospitals and details of the funding cuts involved when compared to last year's level of expenditure;
- (b) immediately lift the moratorium on staffing; and
- (c) inform Parliament how the proposed cuts will affect health services delivery.

If sufficient members agree to this motion, I will allow it.

[At least five members rose in their places.]

The SPEAKER: The matter shall proceed on the usual basis, with half an hour allocated to members on my left, half an hour to members on my right, and five minutes to the Independent members, should they seek the call.

**MS McHALE** (Thornlie) [2.43 pm]: I move the motion. I do so because of the revelation of a number of indicators this week which have led the Opposition to conclude that the health portfolio and system is not receiving the economic and political leadership it needs. Those indicators have been: The minister not knowing the indicative allocations to the hospitals; his not knowing about significant capital works requirements at King Edward Memorial Hospital for Women; his approach to his portfolio which leaves it leaderless - he abrogates his responsibility and hands it to the Metropolitan Health Service Board; and the minister's failure to report to Parliament on the significant Select Committee on the Human Reproductive Technology Act 1991 report, although we will leave that aside.

Mr Day: It is coming. I think you have recognised it is a complex and sensitive issue.

Ms McHALE: Christmas is also coming but the minister is required to report.

Dr Turnbull interjected.

Ms McHALE: I do not wish to be sidetracked on that, member for Collie, it is a small issue. In my contribution I will deal with a number of opposition concerns; the moratorium, the waiting list and the funding question. According to the minister, the moratorium was introduced on 30 June and this action was necessary in light of the indicative metropolitan health service budget for 1999-2000. Those are not my words but those of the chief executive officer of the Metropolitan Health Service Board when the board resolved to place a moratorium on external appointments to the metropolitan health system with immediate effect. The action was clearly taken in light of the indicative budget, which the CEO knew about but the minister did not. The moratorium said that all metropolitan health service departments and health services were required to follow and implement the guidelines. No hospital was allowed to make any external appointment to the metropolitan health system; there could only be like-to-like internal transfers and no increases to full-time, part-time or temporary appointments were permitted. That moratorium has had quite a significant effect. It has caused damage to the hospitals, it has further decreased morale and, most importantly, it has caused longer-term damage given the staff shortages the hospitals will experience by virtue of the moratorium. I will explain what I mean by that in a minute. There has been a tangible nursing shortage at Sir Charles Gairdner Hospital as a result of the moratorium. When the moratorium was imposed on 30 June, there were about 64 nursing vacancies at Sir Charles Gairdner. It is estimated that when the moratorium was lifted on 11 August, there were 250 full-time nursing positions which had not been filled at Sir Charles Gairdner, Fremantle and Royal Perth hospitals. This significant number of nursing positions was not able to be filled during the moratorium. Members should not underestimate the consequences and effect of the moratorium. July and August is the time of the year when hospitals nationally - not just in Western Australia - recruit nursing staff for the following calendar year. The message this Government has sent out to nursing students is that it cannot afford to employ nursing staff. Those nursing students have now begun the process of applying for jobs interstate and overseas.

Dr Turnbull interjected.

Ms McHALE: The member for Collie should not underestimate this. I am surprised at the member's reaction given that she is a medical practitioner. As a result of the moratorium, nurses have not been able to apply for positions in the short term and for the next year. This moratorium will have an iterative effect; it is being felt in the short term and will be felt even more next year. Interestingly, the moratorium initially extended to all positions in the hospitals - and this shows members how absurd it was - but the board and hospitals soon realised that it applied to resident medical officers who were also being recruited at that time. They realised it was an absurd position so the RMOs were exempted very quickly. For the rest of the staff, including nurses, the moratorium continued. We have seen a staff shortage from which we will not recover for a considerable time. If members talk to the hospitals, they will find that once the moratorium was lifted, the hospitals had difficulty in recruiting medical staff. This State will be disadvantaged by an international nursing shortage as well as by this moratorium.

The moratorium has also caused bed shortages and has been responsible for closing wards. I will inform the House of some action that has been taken to cope with this moratorium. Some weeks ago, in early July, I was contacted by a patient in the eye ward at Sir Charles Gairdner Hospital who was very distressed because Ward G64 - the ear, nose and throat, plastics and eye specialist ward - had been closed. It has been confirmed, and the minister may care to check, that ward G64 was closed because of the moratorium. Other actions were taken to cope with the moratorium, and undoubtedly they will have affected patient care. The effect of closing ward G64 is that the eye patients have been scattered through different wards. This means that the specialist eye nurses must deal with the patients throughout the hospital, rather than concentrating on patients in this specialist ward. It also requires nurses who perhaps do not have the specialist skills to look after these patients. Nurses are more uncomfortable clinically in dealing with specialisations; conversely, the nurses with the specialist skills are not being utilised as effectively as they could.

In dealing with the moratorium, hospitals have had to look at closing wards - for example, ward G64 - but if it continues, especially as it affects nurses, they will need to take much more drastic strategic action. This moratorium has not been good for hospital care or for the staff, and I doubt whether it has saved money because agency staff cost much more than permanently appointed staff. That is why we are arguing strongly that this moratorium be lifted immediately. The damage has already been done.

I now turn to the waiting list situation. This morning the minister indicated that the overall waiting lists had been reduced to 11 800. On the face of it, that is a welcome sign. Let us look at the figures in further detail. One of the most interesting figures to come out of waiting list data is that there have been 8 400 fewer additions to the waiting list from 1997 to 1998. I am taking whole year figures because they are the ones that are available. If we look at what has happened from 1997 to 1998, we will see that, yes, there has been a reduction in waiting list numbers but there has been a significant reduction in the number of people wanting to go onto the waiting lists. We may think we are living in a healthier society, but I doubt the indicators support that. That means something else must be happening. If people see a long queue in a bank, they will not go to it; they find other ways to conduct their business and they will not go into the bank. People are seeing the long queues and they are not joining them.

This is the interesting aspect of the figures: There has been a 21 per cent drop in the number of people coming onto the waiting lists, so there should be a reduction in the waiting lists. Given the amount of money going into strategies to reduce them, we would be very surprised if the waiting lists did not come down because they are not being topped up by patients. There has been a dramatic decrease in the number of people coming onto waiting lists because of the lists themselves. It is a very clear indicator of how seriously the community views the waiting lists.

Let us look at the different categories of surgical procedures. From January to May there has been an increase of about 14 per cent in the number of category 1 people on the waiting lists. Category 2 remained pretty constant, although there was a little fluctuation. There has been a decrease in the number of patients who fall within the definition of category 3. Category 1 patients are in pain and waiting for urgent treatment. From the beginning of this year until now there has been an increase in the number of category 1 people on the waiting lists. Overall there has been a reduction in the waiting lists, but when we look behind the figures at the number of people coming onto the lists, we see a massive differential between 1997 and 1998 in the additions to the waiting lists. In category 1 there has been a 14 per cent increase in the number of people waiting.

At the weekend when the minister announced the trial, I expressed the concern that people might be encouraged to come off the waiting list. Only today I heard of a case where a woman has been waiting for minor surgery and her procedures have been cancelled three or four times. Today her surgeon told her that her procedure was only cosmetic surgery anyway and she probably did not need it. From her point of view it was never cosmetic surgery; she needed it to help her to breathe, but she has been taken off the waiting list. She is going back to her doctor to try to get another surgeon who will take her case seriously. That is an example of how people are coming off the waiting list thereby creating an artificial decrease in the overall waiting list figures.

Mr Day: Is that the case of the patient you raised this morning?

Ms McHALE: No, she is a completely different one.

Ms MacTiernan: She has a list of awaiting list patients.

Ms McHALE: I have one for every day! I turn to the funding issue. Because the budget allocations for the teaching hospitals have not yet been revealed, we have already seen the need for the moratorium which has caused nothing but pain and has had a very negative effect on the hospitals. We also have uncertainty. It is imperative that the minister now comes clean and tells us what the budget allocations will be for the hospitals under the Metropolitan Health Service. The indicative figures show a shortfall of about \$16m. We understand that may well have been reduced and that perhaps approximately \$30m is to be found in - it depends on the language being used - savings or cuts.

Ms McHALE: If we look back over the last few years, we find that many of the non-core services provided have virtually been privatised. It will be interesting to see where one can find positions to be made redundant. That is what will have to happen in order to save or cut \$30m from the health services budget. Thirty million dollars is a significant amount of money to be saved from salaries and equates to the loss of 700 jobs. Alternatively, further services may be contracted out; but most services already have been contracted out so there is not much more that can be, unless it is medical services. The Minister for the Arts decided that greater efficiencies could be made by centralising. Perhaps that is an option for the support services. That seems to be a favourite tactic of the Government. I counsel the Government very strongly against that. It would be a further disaster for the management of the hospitals, for the hospitals' sense of identity, for the delivery of effective services and, ultimately, the level of staff morale. The budget looks as though it is going to suffer a \$30m cut and that will mean significant job losses and reduction in funds to services.

The Opposition believes the health service is in a parlous state and not receiving the leadership either economically or politically that it requires. The community of Western Australia is facing a health crisis. It is evidenced by the damaging effects of the moratorium and the inability of the minister to indicate what the final funding will be to individual hospitals.

**MR MCGINTY** (Fremantle) [3.02 pm]: Let us look at what we have seen this week in this Parliament in respect of our health system. The Health Minister says he does not know what are the indicative allocations to the major metropolitan teaching hospitals, where most of the serious medicine in this State is practised. It has been discussed in Cabinet and he has been present at the budget committee of Cabinet but he does not know what the allocations are.

Mr Day: What you have just said is not true. Those figures have not been discussed.

Mr McGINTY: How is it that I and everyone in the hospitals knows what they are but the minister does not?

Mr Day: You might have some speculation.

Mr McGINTY: Not speculation.

Mr Day: We deal with firm facts - not speculation.

Mr McGINTY: The minister has no facts because he does not know what the indicative allocations to the hospitals have been.

How much has he been told the indicative allocations are? Has he bothered asking since his ignorance was shown up yesterday? This minister could at least tell us the arrangements for 1999-2000. He does not know what allocations have been given to Royal Perth Hospital, Sir Charles Gairdner Hospital and the rest. He does not know what they are; he admitted that in this place yesterday. What a disgrace!

What are the indicative allocations made to those hospitals? I know what they are; does not he?

Mr Day: I have given you the allocations - figures are irrelevant.

Mr McGINTY: The minister said that he did not know what they were - now he says they are irrelevant. I do not think the minister was telling the truth. We have a minister who does not know, as he has said in this place, what are the indicative allocations made a month or so ago to the hospitals for the purposes of discussion and finalising of their budgets for this year. A staff moratorium has been imposed on the hospitals and, if the minister is to be believed, not for the purpose of saving money. Why on earth would a staff moratorium be imposed if not to save money? Honestly, the minister will be very glad when the re-allocation of portfolios comes along and he is relieved of the obligation of making a fool of himself in this House.

Mr Prince: The only people who make fools of themselves in this place are you lot.

Mr McGINTY: The member for Albany was the minister, but more particularly since the member for Darling Range has taken over the Health portfolio this is rating as the Government's biggest negative. Some members of the public are saying that the handling of the health system is the number one disgrace of this Government. The member for Albany presided over the health system as the waiting lists were soaring. The member for Darling Range is presiding over it as it goes further into crisis. The two of them make a good pair. They are both failures in respect of this portfolio. I must say to the member for Albany that he has been surpassed by the person who replaced him in that portfolio.

We saw at Sir Charles Gairdner Hospital a month or two ago a lot of staff concern about wards being shut and services cut. That is continuing throughout the entire health system because, unlike the previous Minister for Health who said that the hospitals would know their budgets on 1 July for the beginning of the financial year, we are nearly a quarter of the way through the financial year, and last year's promise to let hospitals know how much they had to spend has been broken. We have been told today by the Minister for Health that the Metropolitan Health Service Board has blown its budget for this year in the first month. Although the minister does not know it, it has also blown it for the second month. One of these days he will wake up, come out of the land of nod and realise what is going on in his portfolio. He is presiding over a system which, even if we take the figures that he just tabled in this place, if it continues on that path, will be \$127m overexpended in the metropolitan area alone this financial year.

Mr Prince: That is an absurd conclusion that only a kindergarten child would come to.

Mr McGINTY: The Minister for Police had to bail the system out twice during his tenure of the Health portfolio. The current minister has had to bail out the system. We said when this year's allocations were made that they were not enough. The budgets are already being blown. The year's budget will be blown by \$127m if the minister continues on the present path. The second month's figures are as bad as the first. It is continuing along that path. We are going to see further dramatic cuts made to the health budget made by the minister during the course of this year. We are going to see him try to fudge the cuts he is making to the public hospitals by introducing a concept known as clinical streaming, when it comes to the funding. We already know that the indicative budgets - I expect that these will be adjusted - will show cuts of \$20m at Royal Perth Hospital, \$20m at Sir Charles Gairdner and \$15m at King Edward Memorial Hospital and Princess Margaret Hospital for Children combined. Is that not correct minister? Is that not the indicative budgets sent out to the hospitals?

Mr Day: Those discussions are going on.

Mr McGINTY: Those discussions are confidential, I suppose. We are not supposed to come in here and embarrass the minister by pointing out what he does not know and what he wants covered up. The result will be dramatic cuts in services and staff in hospitals. The losers will be the people who rely on the public hospital system. This is the biggest issue on which the Government is judged to be an abject failure. Let me give the member for Albany an example of what happened on Monday this week in our public hospital system in Perth. Two of the three accident and emergency departments in our major teaching hospitals shut down. That was at Royal Perth and Fremantle Hospitals. That forced every ambulance to go to Sir Charles Gairdner Hospital - all on the one day. I appreciate that -

Mr Prince: What happened?

Mr McGINTY: They are full.

Mr Prince: Why?

Mr McGINTY: Because of a staffing shortage provoked by the actions of this minister or the Metropolitan Health Service Board in imposing a moratorium on staff appointments. They have also been told they are facing a tight budgetary position this year and that they must keep expenditure within certain limits. The hospitals have not been able to cope. When on one day two of the three accident and emergency departments at the teaching hospitals of this State are shut - they have told the St John Ambulance service to bypass their facilities -

Mr Day: Are you suggesting that they reject emergency patients?

Mr McGINTY: On Monday, 6 September, the St John Ambulance service issued a bypass directive to all ambulance drivers in respect of Royal Perth Hospital and Fremantle Hospital -

Mr Prince: Bypass happens all the time.

Mr McGINTY: It happens occasionally. If it were to happen occasionally as a result of something that no-one expected, that would be understandable. However, for it to happen at both hospitals on the one day is too much. It happens from time to time and that is understandable. However, when it happens as it did last Monday, it has a repercussive effect through the system.

Mr Day: Rubbish!

Mr McGINTY: This is directly attributable to staffing and budgetary cuts. If that were not true, these accident and emergency departments would be able to cope. It happens far too often. The minister is probably not aware that Royal Perth Hospital had to shut its doors on Saturday night. A major accident and emergency service, particularly servicing Northbridge, had to shut on Saturday night! That has ramifications. St John Ambulance drivers were told to bypass Royal Perth Hospital last Saturday night. That flows on throughout the system. Because Fremantle Hospital and Royal Perth Hospital were not accepting patients for part of Monday, those patients went to Sir Charles Gairdner Hospital. It now has no beds to accommodate patients undergoing elective surgery.

Dr Turnbull interjected.

The DEPUTY SPEAKER: The member for Collie will come to order!

Mr McGINTY: I have been told by nurses who work at these hospitals that someone who is due for a kidney transplant next week may not have the operation because there will be no available bed, even though the operation has been planned for some time. The problem is not simply that ambulances have been diverted; it is the repercussions throughout the system because two-thirds of our accident and emergency capacity was shut down as a result of the actions of this Minister. This is a disgrace. We might expect it if we lived in Melbourne, where the hospital system has been cut to ribbons, but not in Western Australia, which had a great public health system until this minister got his hands on it.

Mr Prince: We have a superb hospital system.

Mr McGINTY: Then why was two-thirds of the accident and emergency capacity shut down with repercussions in the rest of the system? This will be felt for weeks because the minister is presiding over gross mismanagement of the public health system. The minister is putting the people who need the public hospital system in considerable jeopardy. That is the reason this House should pass this motion. What happened last Monday will continue to happen. The cases cited by the member for Thornlie involving cancer patients and the stories we are starting to expect from this Health Minister should not be tolerated.

**MR DAY** (Darling Range - Minister for Health) [3.14 pm]: We have just heard yet another example of the gross sensationalism of the Opposition and the member for -

Mr McGinty: Hospitals shut their doors last Monday. They told St John Ambulance drivers not to bring patients to their accident and emergency services because they could not cope.

Mr DAY: The Labor Party cannot appreciate that this Government has established a system that operates across the metropolitan area. When we have a major tertiary hospital and emergency department at Royal Perth Hospital and another at Sir Charles Gairdner Hospital, a mere six kilometres away, it is hardly surprising that there will be a proper and sensible use of resources. St John Ambulance drivers are often told to bypass so that we can make appropriate use of the available beds. There has not been any suggestion of patients being put at risk as a result of such a procedure.

Mr McGinty: Tell the people who have not had their surgery that that is good management.

Mr DAY: Does the member want the Government to build another 600-bed facility that will be half used for the majority of the time? What a ridiculous suggestion. It is another example of the Opposition's continual carping and complaining when it is not prepared to come up with any rational, sensible or sustainable policy. Members opposite would throw Bankcard money at the problem. This Government has not done that. Unlike the Labor Government, this Government has the State's debt under control.

Mr Brown: You sold the assets. There is no great genius in that. Any fool can sell the house and pay off the mortgage.

Mr DAY: We have sold some assets -

Mr Brown: That is the only reason you have reduced debt. You have sold your house to pay off the mortgage. A three-year-old child could do that.

The DEPUTY SPEAKER: The member for Bassendean will come to order!

Mr DAY: This Government does retire debt after asset sales, unlike the Labor Party when it is in government, particularly the Federal Labor Party. It sold assets simply to balance its budget. I recall the same thing was done in this State.

Mr Kobelke: That is trite rhetoric.

The DEPUTY SPEAKER: The member for Nollamara will come to order!

Mr DAY: I was responding to an inane interjection from the member's colleague.

The DEPUTY SPEAKER: If the minister were to direct his remarks to the Chair we would avoid many interjections.

Mr DAY: Members opposite have illustrated that they have short memories when it comes to these issues. This Government's budget is now delivered before the end of the financial year - in April or May - so that agencies know their total allocation before the financial year starts. The hospitals and various health services are informed of their budgets much earlier in the financial year than was ever the case while the Labor Party was in government.

Mr Kobelke: By when?

Mr DAY: I will come to that. When members opposite were in government hospitals routinely would not be given their budgets until about Christmas or even after the start of the new year. As I said, members opposite are being extremely hypocritical and have shown they have very short memories -

Mr Kobelke: They did not run out of money and have huge holes in their budgets.

Mr DAY: Before I deal with the specifics of the Opposition's motion, it should be appreciated that in every year it has been in office this Government has substantially increased the Health budget, which flows through to the various health services. In the past two financial years, the Health budget has been increased by \$153m, which is very substantial. In percentage terms, during the seven years that this Government has been in office, the average annual increase in the Health budget has been 6.9 per cent. Members should compare that with the annual increase of 3.8 per cent while the Labor Party was in government. This Government is putting its money where its mouth is, unlike members opposite -

Mr Kobelke: So it is simply mismanagement. Everyone knows the situation is worse. The waiting lists are longer. It does not stack up.

Mr Prince: It is called demand.

Mr DAY: If the member wants a long lecture on this, I am happy to provide it. The member is demonstrating that he clearly does not understand some of the major issues in health management in this country. As the member for Albany said, there is an ever-increasing demand from people wanting to access the service, and the costs of running the system as a result of the increased technology -

Mr Kobelke: People are sicker under Liberal Governments.

Mr DAY: There has been a very substantial increase in the Health budget in every year that this Government has been in office, and this year is no exception. Contrary to the assertions of the Opposition, I am of the view that we have a very high quality health system in Western Australia, which is well funded. It certainly has some major issues to face on how best to fund the system for the needs of the community in the future and how best to provide services, and in particular where best to locate major health services, whether in the metropolitan area or other parts of Western Australia. Nevertheless, we have a system which is recognised by almost everyone in the community as being of high quality. That was reflected in the 1998 patient evaluation of hospital services which indicated that Western Australians continue to report a high level of satisfaction with public hospital services. I certainly expect that the 1999 survey will confirm the same level of satisfaction.

The health system in Western Australia is much more open and accountable than has ever been the case. As I have said, hospitals and health services are now given budgetary allocations much earlier than ever before. I also indicated earlier today the total allocation for the Metropolitan Health Service. Discussions are going on with all of the individual health services which make up the overall Metropolitan Health Service to determine what their budgets will be. I have said to the House that as soon as I am advised of the outcome of those discussions, I will make the information available to Parliament. I expect that will be next week.

Any figures that the Opposition may have referred to, or that the member for Fremantle thinks he has come across in some smart alec way, are not relevant to the current discussions. What is relevant is the total allocation to the Metropolitan Health Service and the discussions going on with general managers and chief executives. They have the responsibility of determining how they can provide services over the remainder of this financial year in an effective and efficient way that will not result in any negative impact on the delivery of clinical services. I have no doubt that in many cases there is a better way of operating the system and doing things more efficiently so that we can get maximum value out of our Health budget by funding going into providing clinical services as opposed to administering the system. I have said that in this Chamber previously. I have no doubt that my predecessor said it as well.

It also needs to be recognised that we are in the midst of a very important process of providing additional health services for the outer parts of the metropolitan area where the population growth is occurring; for example, in the northern suburbs where the Joondalup Health Campus now operates. It has a major public hospital which is being operated by the private sector but nevertheless is for public patients and the many people who are now living in the northern suburbs. In any discussions about the health services provided in the metropolitan area we need to take into account the increased services



provided in areas like Joondalup. Mandurah and the southern metropolitan area also come to mind with the opening of the Peel Health Campus. I know that the member for Dawesville will be making some comments about the benefits to his community and region as a result of developing that new health service.

We also have a major program of relocating services in other parts of the metropolitan area; for example, the development of the Armadale Health Service. Detailed planning is currently under way, and construction will begin soon of a \$48m hospital and health service to much better provide for the needs of people in the south eastern metropolitan area.

Mr Tubby: And it will be very good too.

Mr DAY: Yes, and, more importantly, a very high standard of service will be provided by the many dedicated people who are working in the Armadale area.

As I have said, discussions are going on in the Metropolitan Health Service to finalise budgets for all of the hospitals and health services. Once those discussions are concluded, I will make the information available.

Ms McHale: When will that be?

Mr DAY: I hope it will be next week, as I have said.

Certainly this Government has indicated all along that it is accountable and open. We certainly have nothing to hide about our health record because we have a very proud record indeed, based on the very substantial increase in funding which has been put into the system over the years that we have been in government.

Ms McHale: Is the moratorium coming off next week?

Mr DAY: I will come to the moratorium in a moment.

The Opposition fails to appreciate that with the introduction of the purchaser-provider model, which this government has put in place, we have moved away from simply determining budgets on a historical basis to a much more sophisticated system which is based on an anticipation of future needs, where we use the purchasing model to attempt to achieve the best possible outcomes for the population for whom services are being provided. It is a more complex, sophisticated system, but it is a better one which aims to predict future needs.

The moratorium has been put in place by the management of the Metropolitan Health Service; it has not been a government decision or one that I have made, but I fully understand it and accept it as a decision of the chief executive officer, no doubt in conjunction with the board of the Metropolitan Health Service. As I said in question time yesterday, the moratorium has not been put in place for the purposes of saving money - we are continually putting more money into our health system. It has been put in place while budgetary decisions are being finalised so that boards are not locked into taking on permanent staff when it may not be appropriate. I am also advised that the previous Labor Government put moratoriums in place on some occasions, although it did not call them moratoriums in those days but staff freezes. If we want to talk about this subject, the Labor Party should talk about its record in government as well.

As I have indicated, I will make available to Parliament as soon as possible after the decision the budgets for the individual health services in the metropolitan area. As I also indicated during question time, the total allocation for the Metropolitan Health Service is \$1.04b, including an anticipated amount from the special elective surgery fund. That is a very substantial amount out of our total Health budget. It will certainly mean that we can continue to provide a high degree of quality and a large quantity of health services for people inside and outside the metropolitan area who need to access services in the metropolitan area over the remainder of this financial year.

The member for Thornlie raised the issue of the engagement of nurses. I am advised that the Metropolitan Health Service has in place a nursing consortium which has been operating for two years. It has been established to facilitate the placement of student nurses. It is a model based on best practice and helps to streamline the recruitment of student nurses who are about to enter the workforce. I am advised that nurses are recruited throughout the year as required and that we now have an active marketing strategy to attract and retain nurses. The Health Department has put in place a very good advertising and marketing campaign to encourage young people to take up nursing as a career. That strategy is well supported by all of the major nursing professional bodies in Western Australia.

The member for Thornlie referred to the select committee report on reproductive technology. As the Speaker reported today, it is correct that a response has not yet been provided to Parliament by me or the Minister for Family and Children's Services. I want to make clear that the issue has by no means been forgotten. We are considering a draft response at the moment. It will be going to Cabinet, I suspect, in the next couple of weeks or so. It is a sensitive and difficult issue. We need to give careful consideration to our response. I can certainly assure the House that the response will be provided by me and the Minister for Family and Children's Services. For all the reasons I have given, the Government completely opposes the motion which is based on scaremongering, not fact. This Government has been well funding our health system, including the Metropolitan Health Service.

**MR MARSHALL** (Dawesville - Parliamentary Secretary) [3.30 pm]: In contrast to the negativity from members opposite, a new 130-bed hospital at Mandurah known as the Peel Health Campus, with its 120 public and 10 private beds, continues to be praised by my community. The member for Thornlie said health lacked economic leadership. I shall read her a letter to the editor sent to me today by my electorate secretary. She sent quotes concerning Peel Thunder's reinstatement to Westar Rules, and it is timely that I discovered a letter from Pam McKechnie who wrote the following under the heading "High praise for health campus" -

Recently my husband was a patient in the Peel health Campus, where sadly he lost his very long and brave battle to cancer.

On a happier note, despite a huge personal loss, I cannot praise the wonderfully dedicated staff in the Palliative Care Unit highly enough.

The compassion shown by those nurses, not only to my late husband, but to me and also my supportive friends, was nothing but exceptional. Peel Health Campus can well be proud of the high standard of care that they provide.

Every week letters to the editor praise the Peel Health Campus. I receive calls almost every day praising some unit of the hospital and saying "thank you" to the Government for providing such excellent services. My neighbour, Mrs Lorna Verboon, broke her wrist only four weeks ago, and she was rushed to hospital. She praised the professional service at the campus. Three days ago my neighbour's son Mark and wife Annie Bone had their first child River Mark, and the birthing suite at the hospital is simply amazing.

It is easy for the Opposition to invent negatives, such as funding cuts, but members opposite should look at the services provided to our new hospital over the last six months. I refer to the restorative unit for in and out patients, which includes a geriatrician, physiotherapist, speech therapist, a dietitian, a social worker and an occupational therapist. They were not in the hospital 12 months ago, and are housed under one roof. Also, the campus includes an ear, nose and throat specialist, and orthopaedics with a specialist catching up with the backlog on hip and knee problems of the elderly in my electorate. The campus also includes cardiology, oncology and the five renal dialysis machines have been increased to 10 machines. The operating theatre is magnificently serving the community.

Regarding the suggestion of job losses, Alcoa provides employment for over 1 500 people in my electorate. The new Peel Health Campus, which employs 300-plus people, is the second largest employer of staff in the entire region, comprising registered nurses, midwives, support, clerical and kitchen staff etc, grounds people and, of course, doctors.

In summary, I do not see the member for Thornlie as a negative person, as she conducts herself politically with great dignity. However, in her new position as shadow spokesperson for Health I hope she will guard against knocking unnecessarily and without fact. I have another letter to the editor which summarises this debate. The headline in the *Mandurah Mail* reads "You cannot please an army of knockers". The gentleman stated -

As both a member of the Medical Advisory Committee and a visiting specialist medical officer to the Peel Health Campus, I would like to fully endorse the comments recently made in a letter by Dr Doug McCarthy regarding the medical services provided at Peel Health Campus.

Readers can be assured that the Commonwealth Department of Health, the Government of WA, the hospital administration and all the staff at PHC, are totally committed to providing Mandurah with the highest degree of hospital care that is available in any hospital outside the metropolitan area. I have worked in a number of hospitals here in Australia, in New Zealand and in the United Kingdom in the 36 years I have been practising medicine, and I have no hesitation in asserting that the facilities and the medical expertise provided at Peel Health Campus is unlikely to be secondary to any other hospital of similar size anywhere.

Mr John Ives finished by writing - and members must listen to this -

The old adage - you can please some of the people some of the time, but you cannot please them all, all of the time - is still alive and well.

The Opposition should remember that point.

**DR TURNBULL** (Collie) [3.36 pm]: I am sorry to see that the new opposition health spokesperson is producing motions which show a lack of understanding of the whole concept of moving services from centralised areas back out to people who live in the country, whether in the regions or rural areas. I was ashamed to be in Parliament with the former opposition spokesperson for Health. Members know the situation I got myself into one day in this House with the absolute lies he kept perpetrating -

*Withdrawal of Remark*

Mr RIPPER: Point of order, Mr Deputy Speaker.

Dr TURNBULL: I am sorry; I withdraw the word "lies".

The DEPUTY SPEAKER: I thank the member.

*Debate Resumed*

Mrs van de Klashorst: The mendacious comments.

Dr TURNBULL: Yes, mendacious comments - whatever that means!

Several members interjected.

Dr TURNBULL: I apologise.

*Point of Order*

Mr RIPPER: The member for Collie cannot disguise her unparliamentary remarks in that flippant way. She should withdraw any imputation that the member for Fremantle has lied to this House.

Mr BRADSHAW: "Mendacious" has been used quite frequently in my 15 or 16 years in Parliament and has never been ruled to be unparliamentary.

The DEPUTY SPEAKER: The member for Murray-Wellington is absolutely right, but I agree with the Deputy Leader of the Opposition: I ask the member for Collie to refrain, having just withdrawn that the member "lied", from using another word which means the same thing.

*Debate Resumed*

Dr TURNBULL: I thank you, Mr Deputy Speaker. I feel very disappointed that the new opposition spokesperson for Health cannot recognise the vital improvement to the health service delivery in moving the services from the four big hospitals in the central area of Perth to the regional areas where the services are needed. The four big hospitals are necessary to maintain the tertiary services for those who require them.

Mr Brown interjected.

The DEPUTY SPEAKER: Order!

Dr TURNBULL: The budget position historically perpetuated the centralised service system.

Mr Brown interjected.

Dr TURNBULL: People are now being admitted to hospital for elective, not only emergency, issues.

Mr Brown interjected.

The DEPUTY SPEAKER: Order! I formally call the member for Bassendean to order for the first time.

Dr TURNBULL: Nowadays there are not nearly as many cases admitted to hospital of diabetic comas, hyper-reactions, status asthmaticus, status epilepticus, congested cardiac failure and so on. This is a revolution in treatment, which relates to the fact that patients receive services from the general practitioner and the health services in home towns. Diabetic, asthmatic and leg ulcer clinics are provided. One can have renal dialysis and chemotherapy back in the regional area. This is much better for the patients. This Opposition does not understand a single thing about the management of these patients. The patients are much happier when they are next to their own communities. The teaching hospitals should be used for the specialist issues, but the mass of other issues should be delivered as close as possible to a person's home and, if necessary, even in a person's home. That is why domiciliary services must now have a share of the cake as well. I could go on, but I will give the member for Swan Hills the chance to speak.

**MRS van de KLASHORST** (Swan Hills - Parliamentary Secretary) [3.40 pm]: The Opposition is obviously walking around with its eyes closed. I have been a member for the past six and a half years, and in that time I have seen major improvements in my local hospital, which is the Swan District Hospital. On behalf of the minister, I presented an Australia-wide accreditation health service award to the Swan District Hospital for the wonderful work it is doing. As I do not have much time, I will say straight away that I am pleased to have been an active participant in assisting the Government to achieve a number of improvements, and I will give a list of some of those improvements as concrete evidence that the Government is working to improve health services in Western Australia.

The youth mental health outreach service situated in Midland has been opened since we came into government. It services people in the outer metropolitan area. A new dental health clinic has been opened. That is located on the hospital grounds, and it continues to be used daily. Day care facilities for seniors were not in place when we came into government. They are much appreciated and are used for respite and health care. I was fortunate to be present when the previous Minister for Health opened the emergency centre. During the 32 years that I have lived in the hills, the people from that area could not take their children or anyone with major medical emergencies to the Swan District Hospital. As the member for Collie said, they had to take them to Perth. Often, children who were in pain would be required to travel by car to Perth. Now they can be taken to the local hospital. Following numerous discussions that I had with the minister, the home birthing centre was opened. Women now have the opportunity to give birth in that centre at the Swan District Hospital.

Recently, a satellite dialysis project for the Swan area has been undertaken. That is a major initiative for our local hospital. The Swan Health Service has been involved with the Swan Hills Division of General Practitioners Ltd in setting up a multi-access centre. I have worked very hard for that. I went over east to look at similar centres, and when I came back I worked with the Swan Hills Division of General Practitioners. This is a youth bus which is operated under the auspices of the Swan District Hospital. Its purpose is to reach out to young people in the community to teach them things such as birth control and personal health care. It goes out to the people rather than the people having to come to the centre. The Swan Hills Division of General Practitioners is one of the first bodies to trial, in conjunction with the hospital, a \$1.4m change in referral patterns in its catchment area. This means that these GPs will have direct computer access to determine the way to shorten waiting lists. The General Practice Divisions of WA's initiative, which is known for getting patients treated, will cause approximately 4 000 patients to be removed from waiting lists in the next six months.

I also bring to the attention of the House that a broad range of community-based services are outreaching to people in Swan Hills, and as a result these people are not being asked to go to the Midland area. I do not have time to deal with all of those services. However, they are servicing young mothers, youth, and seniors in their homes. My mother was very sick, and she stayed with me at Gidgegannup after leaving Swan District Hospital. During that time, the Swan Health Service continued her treatment in my home in the out blocks of Gidgegannup. Therefore, I refute what the Opposition has said, and I commend the Government on what it is doing in my area, Mandurah and other areas.

Question put and a division taken with the following result -

## Ayes (15)

Mr Brown  
Mr Carpenter  
Mr Graham  
Mr Grill

Mr Kobelke  
Ms MacTiernan  
Mr Marlborough  
Mr McGinty

Mr McGowan  
Ms McHale  
Mr Riebeling  
Mr Ripper

Mr Thomas  
Ms Warnock  
Mr Cunningham (*Teller*)

## Noes (26)

Mr Baker  
Mr Barnett  
Mr Barron-Sullivan  
Mr Board  
Mr Bradshaw  
Dr Constable  
Mr Cowan

Mr Day  
Mrs Edwardes  
Mrs Hodson-Thomas  
Mr Johnson  
Mr Kierath  
Mr MacLean  
Mr Marshall

Mr McNee  
Mr Minson  
Mr Nicholls  
Mr Omodei  
Mr Pandal  
Mr Prince

Mr Sweetman  
Mr Tubby  
Dr Turnbull  
Mrs van de Klashorst  
Mr Wiese  
Mr Osborne (*Teller*)

## Pairs

Mrs Roberts  
Dr Gallop  
Dr Edwards  
Ms Anwyl

Mr Court  
Dr Hames  
Mr House  
Mr Shave

Question thus negatived.

**GAS CORPORATION (BUSINESS DISPOSAL) BILL 1999***Second Reading*

Resumed from an earlier stage of the sitting.

**MR BROWN** (Bassendean) [3.48 pm]: I will now deal with a couple of matters that will highlight the way the Government intends to treat the current employees of AlintaGas. Members would be aware that the Government has made a number of comments in recent times about being the Government of new standards which is looking after the workers' interests in this State. A letter I received from an AlintaGas employee states -

The ASU in conjunction with the CEPU is currently mounting a campaign to protect the interests of members during the proposed sale of AlintaGas. There has always been a great expectation amongst employees that they would be given the same choices and similar incentives as their colleagues in Gas Transmission Division received when the pipeline was sold to Epic. In communications with the Employees Issues Group, (which doesn't have any employees on it - only Human Resource staff and management), we are told that since we are already a corporation and the business will be remaining the same, existing employees will be just transferred over to the new shareholders. This view has been reinforced by Phil Harvey, CEO of AlintaGas. We are further told that there will only be a minimal "welcome" payment in recognition of employees' expectations.

Unlike employees in other areas where the Government has contracted out the work, or whatever, these employees will not have the option of staying in government employment but will be transferred to the new employer. Secondly, they will not be given the opportunity of entering into the redundancy arrangements that would otherwise apply.

The second matter is security of employment for these employees. The letter continues -

While we are assured that employment should be guaranteed for nearly two years, many employees are angry that they are not being given a choice. Other government concerns that have been sold off have all offered their employees the choice of a job with the new owner, redundancy or the chance of redeployment in another government department. When the government changed SECWA from a Commission to a Corporation by legislation, no employee was given the choice of redeployment or redundancy (except those who were targeted later in down-sizing exercises at both Western Power and AlintaGas). Now we are again not to receive a choice. Surely natural justice dictates that employees should get a choice *at some stage*.

That letter indicates that these employees of AlintaGas, an entity that is owned or controlled by government, have not been given a choice of redundancy or redeployment. They have also been told that once the corporation is put into private hands, their jobs cannot be guaranteed for more than two years. They are not terribly impressed with that assurance, given the nature of their current employment arrangements. If the Government had the interests of its workers, not workers generally, at heart, it would do a lot better than that. The letter continues -

Another big issue is superannuation. For many years governments of all persuasions have encouraged workers to make their own arrangements for old age by taking out superannuation. Various governments have stated that people should not rely on a state old age pension. To this end many workers, including my colleagues and myself, joined the State Superannuation Scheme at an early stage with a view to remaining in government employment and thus obtaining a pension/payout in return for continuous and loyal service.

We are now told that we will no longer be eligible to remain in Government Superannuation. AlintaGas is offering to re-imburse the 1.75% discount (penalty) per year to age 55 that the Govt Super Board imposes on employees

who leave the scheme. Apart from the fact that the Australian Taxation Office taxes the lump sum that is rolled over into a private fund therefore disadvantaging employees further, my colleagues believe that private super funds will not be able to match their govt super payout at retirement especially for many older, long serving employees who are approaching retirement age. When AlintaGas brought in its own super scheme many years ago, interested employees were given the opportunity to have their own circumstances evaluated by a consultant from the fund manager. In my own case, I was advised that the proposed scheme could not deliver to me the same or better benefits than I had accrued under govt super. Therefore my colleagues and I do not wish to be forced out of govt super and into something whereby we lose money.

The employees of AlintaGas will be forced out of the government superannuation scheme and, as a consequence, they will lose money. The Government talks in a range of areas about not wanting to legislate retrospectively. However, it appears that the interests of employees, in this instance AlintaGas employees, do not fall within the criteria that are applied by the Government elsewhere. This is a major issue for AlintaGas employees. I hope the minister will respond to these matters so that we need not go through these matters again and again in consideration in detail. I take it that the minister's silence on these matters means that he accepts that what I am saying and what has been communicated to me is the truth and is not erroneous in any way. It is an appalling state of affairs that because the nature of this employer will change, these employees will not be given the options that have been given to other state government employees, will have no security of tenure and have been told that their jobs may last for only two years and will have their superannuation entitlements reduced. So much for the coalition's claim that it looks after the interests of workers. It does not look after the interests of AlintaGas workers, because those workers will be a lot worse off under the new arrangements.

We have found that when the Government does not want to be seen to be taking on hard policy issues, such as reducing wages and terms and conditions of employment, it does that surreptitiously by selling off agencies or contracting out work. The Government does not have the strength of character to confront its employees and try to reduce their wages, terms and conditions of employment, superannuation and security of employment, but seeks to do it by getting rid of the agency which employs those people. That is a fairly weak approach.

Mr Barnett: That is not fair. I acknowledge that the issues you raise are important to the employees. However, I will stand on my record with regard to how employees have been treated within Western Power and also within AlintaGas with the sale of the pipeline. Some of the correspondence on this matter may be a bit premature. Negotiations with the employees about issues associated with the sale process are at the earliest stage. We will try to ensure that the employees are looked after fairly and properly. We have some way to go. You have raised legitimate issues, and I know the employees are raising them.

Mr BROWN: I thank the minister. I intend to send a copy of this speech to the people who have raised this matter with me, and I am sure they will be encouraged by those words.

Mr Barnett: I am not suggesting I have all the answers.

Mr BROWN: I appreciate that. If government wishes to dispose of an asset for a variety of reasons, we will have all of the arguments about what it means for consumers and for prices. Those arguments are fair and are in the public interest. However, in all of that, employees should not be hurt, and every effort should be made to ensure that if government does move in a particular direction, whether one side of politics likes it or not, or whether certain people in the community like it or not, the employees of the organisation are protected. I am pleased the minister has said he will look at those matters, and I hope that if the gas sale does go ahead, the employees will be protected.

**DR TURNBULL** (Collie) [3.59 pm]: I add my thanks to the minister for the comments he has just made. A number of Western Power employees at the Muja power station have also had an interest in this issue of what would happen to workers' entitlements if a utility were privatised. I thank the minister for his comments.

**MR THOMAS** (Cockburn) [3.59 pm]: Members would not be surprised that I am opposed to this Bill. I support my colleague, the member for Belmont, and the Opposition members who have spoken against the Bill. The minister first announced the Government's decision to privatise AlintaGas on the last day of Parliament last year. The Government was hoping to soften up the Parliament and the public by making the announcement and having the issue in the public domain for some time over Christmas when public attention is not necessarily as focused on these matters as it is at other times of the year. The Government did this in an attempt to get away with its scandalous behaviour. I hope our parliamentary colleagues in the upper House will pull the Government up for this and throw the legislation out as they should. Whatever members might say about this issue - and they can make a number of points - the fact is the Government should not be allowed to proceed with this on a parliamentary basis. A member of this House or the upper House - the House of Review - might believe the Government's proposal for the sale of AlintaGas is desirable, but that member should still vote against this Bill because the Government has behaved in a disgraceful, unparliamentary and undemocratic manner. I say that because the Government actively misled the people of Western Australia at the last election. If it were possible at that time that the Government would conclude that AlintaGas should be sold, it should have disclosed that before the election. If it had then won the election, it would have been able to come into the Parliament and say that it had a mandate to sell this asset. After this Bill passed through this House - as it presumably will now - the Government could have sent it to the other place and told the members there that the Government had a mandate for this legislation, and that argument would have been persuasive. However, the Government did not do that. It concealed its intentions from the people of Western Australia and is trying to get away with doing this without a mandate. I am saying to you, Mr Deputy Speaker, and the House what I have already said by way of a circular letter to members of the other place; that is, irrespective of what members think of privatisation, if they believe in democracy, they should throw this out. It is a substantial matter and if the Government wants

to go ahead with it, it should put the issue to the people. We on this side of the House are strongly opposed to this Bill. When it reaches the other place, there will be members who are also opposed to it, but that is a secondary question. The fact of the matter is that, the Government was not elected with a mandate to sell this asset.

Why does the Labor Party feel so strongly about this? Why does the Labor Party feel so strongly that the democratic principles should be invoked and substantial matters such as this should be put to the people of Western Australia before they are implemented? The sale of AlintaGas is the sale of a natural monopoly. Along with the sale of Westrail - something else the Government does not have a mandate for - it is taking privatisation to a qualitatively different level to that which has hitherto been the case. When privatisation began to emerge in Australian politics in the 1980s with the sale of Qantas and the like being initiated by the federal Hawke Government, what was sold were businesses. Qantas had been established by the Government when it was considered necessary for Governments to own airlines. Qantas was acquired by a Federal Government to maintain links between Australia and Singapore. British Imperial Airways was prepared to fly from London to Singapore but no further and if Australia wanted a direct link with London, it needed to provide it. No private business was prepared to provide the service so a Federal Government purchased Qantas to provide that link. A direct link between Melbourne and London is no longer considered to be a matter of such strategic importance. More to the point, there is no longer a shortage of businesses prepared to provide that service. The Australian people had a lot of government capital tied up in a government business in a competitive market without a natural monopoly when plenty of businesses were prepared to provide that service. In those circumstances, as the Hawke Government said about Qantas, and many other people said about equivalent businesses such as insurance companies and banks, it was no longer appropriate or necessary, if it ever was, for government to be engaged in that business and to place the public purse at risk by engaging in those businesses.

However, that is entirely different from this. AlintaGas is a natural monopoly. It is practically impossible to have competition to a single customer because of the physical nature of the gas distribution business. One can have competing distribution networks in the sense that different networks may service different suburbs. However, they are hardly competing in the sense that one customer has access to two distributors. For the first time we are starting to sell off natural monopolies. That is wrong and ultimately it places consumers at risk. No matter what the minister says about legislative caps on pricing or future regulatory regimes, the fact is that if the business is privately owned, there will be pressure for those owners to receive a return. We have heard Liberal ministers speak about this and similar matters and talk about mum and dad investors. If those investors are to receive a return on their investment, the price will need to be adequate. If the prices are sufficient to give the mum and dad investors a good return on their investment, the prices for consumers will not be as low as they otherwise might be. It seems that when a natural monopoly is sold, there is pressure on prices because there is no market or competition to protect consumers.

That brings me to the question of competition. It is shame the Deputy Premier is leaving the Chamber, but I think he knows the argument. As with the railways, the Government is privatising in an anti-competitive situation. This is contrary to the balance of opinion in the administration and provision of services in the fields of energy, transport and the like throughout Australia. A vertically-integrated business - a significant component of which is a natural monopoly - is being sold into private hands. Ultimately, the private owners, whoever they might be - cornerstone investors, mums and dads, businesses, institutions or whatever - will want the return to which they are entitled and the business will need to maximise its profits. We have seen this with Western Power. People who would like to be in the business of providing private power are presently engaged in litigation with Western Power under the Trade Practices Act. These people are alleging that Western Power is engaged in anti-competitive conduct. Whether it is will ultimately be decided by the Federal Court of Australia if that action continues to a hearing. If members read the litigant's statement of claim in that matter - and I am happy to provide members and the minister with a copy of it - it is almost a manual of how to get around Chinese walls and ring-fencing and how to use vertical integration to protect one's market share in a particular phase of the business.

What will be sold with AlintaGas is two businesses: One is gas trading and the other is gas distribution. If a business is in only the gas trading business - that is, it buys and sells gas, and that is separate from gas distribution - that business must have access to the gas distribution; that is, someone else's pipes and infrastructure. If the business that owns the gas distribution is also engaged in the gas trading business and is a competitor, it may be in a position to protect its market share by increasing the price of distribution to price another business out of the market. There are all sorts of ways to get round this. Regulatory regimes have been set up, there are schemes of transparency, there are legislative requirements for disclosure of prices that are charged, and there is a requirement for internal separation of accounts and so on to ensure this does not occur. However, the fact is that if members talk to anyone who is attempting to become a private power provider in Western Australia - I have spoken to most of them, and my colleague, the member for Eyre, mentioned this earlier - they will all say that Western Power engages in anti-competitive conduct. It is difficult to prove whether that is the case. If, for example, someone controls the transmission system, anyone who wants access to the transmission system is required to submit his requirements to that person. The competitor who owns the transmission infrastructure will feel that his competitors, which are also part of that business, possibly have access to market intelligence which they would not have otherwise.

There are also other ways of keeping competitors out of the business. If someone owns the transmission or the distribution infrastructure, for example, that person can delay. When requirements for access to a certain capacity are put to that person, it can take two, three or six months to respond to that request. That time can be important in marketing terms. It is difficult to prove whether a business is deliberately engaging in anti-competitive conduct, unless telephones are tapped or a person physically ensures that one part of the organisation does not communicate with another. That is the reason the Carnegie report made a recommendation to this Government in 1993 that there should be vertical disaggregation of energy businesses; that is, in both electricity and gas. It was commissioned by a Labor Government, but reported to the current Government. However, under this Government, we have the least reformed energy market in Australia. So far all this minister has done

is separate electricity and gas, which took the gas market in Western Australia to where the rest of Australia was already and where it had been for decades, and sell the transmission pipeline.

Mr Barnett: What would you say is the most reformed electricity market in Australia?

Mr THOMAS: New South Wales.

Mr Barnett: You know very well that the most reformed market is Victoria because it has been almost entirely privatised.

Mr THOMAS: It has fools.

Mr Barnett: It does not suit your argument, does it?

Mr THOMAS: It does not suit my argument because at this point I am talking about competition.

Mr Barnett: That is exactly the point.

Mr THOMAS: As my colleague, the member for Eyre, was saying, competition produces the pressure for lowering prices. That is the minister's problem; he grasps at the issue of privatising and says that Victoria is the most reformed energy market because it is the most privatised.

Mr Barnett: No, I did not.

Mr THOMAS: The minister just said that.

Mr Barnett: You are such a clown that I will not waste my time.

Mr THOMAS: I just heard the minister say it. He is insulting the public sector workers who work for organisations such as AlintaGas and Western Power. One need only look at the performance of those public utilities in Western Australia to see why such Liberal Party dogma is inappropriate and untrue. It is Liberal Party dogma that private sector organisations are inefficient - featherbedded is often the phrase used - and are unable to compete efficiently with private sector organisations. Anyone who looks seriously at the facts will know that that is not the case. AlintaGas is a profitable organisation which was born in difficult circumstances. However, it is a profitable and efficient organisation that serves the people of Western Australia well. The franchise to operate the gas distribution system in Kalgoorlie-Boulder on the eastern goldfields was put out to competitive tender. AlintaGas competed against private gas companies for that franchise, and it won that franchise on a competitive basis. We should be proud that the public sector organisation won the franchise to distribute gas against long-established private sector gas utilities in a competitive process.

In the electricity sector we need only look at the new Collie power station which is being operated by Pacific Power, an organisation owned by the New South Wales Government. When I mentioned New South Wales a moment ago, the minister did not want to hear what I had to say and ran away to avoid hearing it. He probably knew what I was about to say. The situation is that the Collie power station is being operated by the New South Wales Government. In terms of Liberal Party dogma, if the public sector organisations are so inefficient, one may ask how the New South Wales Government could win the contract to operate the Collie power station. It happened because the New South Wales Government owns Pacific Power in the same way as the Western Australian people, through the Government, own Western Power. The New South Wales Government has subsidiaries that operate internationally and interstate and, against other organisations that were seeking that business, it competitively won the contract to operate the Collie power station. Given that, how can one possibly accept the Liberal Party dogma that because an organisation is publicly owned, it must be inefficient and featherbedded and it must be necessary to get rid of it to obtain a profitable organisation? If we look at the organisations in Western Australia, we must conclude that the Liberal Party dogma is totally incorrect. Given that that is the case, how can the Government proceed in the way that it is? All we need to do now is look at the clumsy way in which it has attempted to make this most unpalatable meal acceptable to the people of Western Australia. It probably looked at its polling and realised that privatisation is not popular and that people were probably prepared to accept the sale of airlines and banks. However, when it comes to the fundamental infrastructure that is a necessary basis of our life in modern society, the people want it to remain in public hands. They have seen situations in Auckland, Brisbane and Victoria, in which energy infrastructure has broken down and, as a result, society has broken down. The public wants to know that these organisations will remain in public hands.

I do not think the Minister for Energy knew about what happened next or agreed with it, and I would like him to elaborate and perhaps correct me. To make the proposal more acceptable, the Premier said that the money raised from the sale of this asset would be used to build a railway to the southern suburbs. The Government thought it was being very clever politically, because that would put people who are very strongly committed to public infrastructure - and me in particular because I am very committed to a railway to the southern suburbs - in something of a dilemma. Although opposed to privatisation, we are very much in favour of public transport. It is a dichotomy, but that is what the Premier said. Later the Minister for Energy said that that was not the commitment. Perhaps the minister can tell the House whether there is any government commitment to use the money raised from this sale - if it proceeds - for any specific purpose. Is this revenue hypothecated?

Mr Barnett: No, it is not.

Mr THOMAS: So the Premier was wrong.

Mr Barnett: He was not wrong. It is an example of how the Government might use the money. When I respond, I will outline some of the options for the uses of that money. There has been no decision about how any proceeds from the sale will be used.

Mr THOMAS: I am pleased that that has been clarified. That being the case - assuming that what the minister has said is

correct - it is a good principle of public administration not to hypothecate revenue, but this is not revenue in that sense. The Premier has attempted to create an incorrect impression.

Mr Barnett: He has not. He has said, as I have said publicly, that the southern suburbs railway would be a good project which could have its funding accelerated as a result of the AlintaGas sale. That is probably the case. If we succeed in selling it, it is more than likely that the proceeds will be used to accelerate the project. Surely the member would support that. No decision has been made and none will be made until the railway has been determined. The Government is being open about how the money will most likely be used.

Mr THOMAS: I do not believe that. I will look at the words used. The minister is trying to say that the Premier meant that if the Government has more money it will be able to do more. One does not need to be a Rhodes scholar to work that out. I believe the Premier was saying something more specific. He was making a nexus between this privatisation and the privatisation of Westrail. The capital works involved in the railway to the southern suburbs was more of a connection than the minister is characterising now. We can check that later.

The fact remains that the minister may well feel that it is a good idea to sell AlintaGas. He may feel it is better to do it this way, notwithstanding the fact that we do not have a competitive energy sector as has been recommended by everyone who has looked at energy, transport and other areas in recent times. He may feel that he is the only person in Australia who has the energy equation right - that we can build an energy sector in Western Australia that is flowing against the trend in just about every other part of Australia by privatising vertically-integrated organisations and creating anti-competitive private organisations. We on this side of the House might be opposed to that, but these are fundamental matters of public policy. They involve the sale of public assets that are worth hundreds of millions of dollars.

Mr Barnett: I hope so.

Mr THOMAS: Those public assets do not belong to me, to the minister or to the Government. They belong to the people of Western Australia. We hold them in trust for the people. They are not ours to do with as we will but to administer on behalf of the public of Western Australia. Fundamental questions of public policy are raised in this Bill.

I return to the point at which I started - which will be raised repeatedly with the Government: The Government does not have a mandate. It is a fundamental principle of democracy that if a Government wants to do something substantial, it goes to an election and states its policies. If the people support it, it then has a mandate to implement those policies. I hope and pray that the Government will be held up in the upper House, and it will be interesting to see what happens in that place. This Government actively deceived the people of Western Australia in December 1996 by concealing an intention to dispose of a major public asset.

Mr Barnett: That is an untruth. I challenge you to provide any substantiation for that statement.

Mr THOMAS: Is the minister telling me that the Government had no intention at that stage of privatising AlintaGas?

Mr Barnett: That is true.

Mr THOMAS: The minister is an honest man and I will take him at his word. However, the Government still does not have a mandate. If the idea to sell this asset arose spontaneously some time after December 1996 - the minister was driving down Mounts Bay Road to work and the idea sprang into his mind - that is fine. If he thought it was a good idea, he should have done the democratic thing and put it to the people.

Mr Barnett: Obviously this Government is philosophically in favour of privatisation and the Opposition is not. The factors leading to the decision to proceed with the privatisation followed the successful sale of the pipeline and the decision to accelerate the deregulation timetable, which immediately meant we would be faced with the dilemma of owning a gas utility in competition with other businesses. That was the prime reason to go ahead.

Mr THOMAS: The minister thinks he has good grounds for this.

Mr Barnett: I am telling you what happened; they were the reasons. There is nothing mysterious.

Mr THOMAS: The minister is explaining why this happened. In any event, the Government still does not have a mandate. It might have the best ideas in the world - I disagree very strongly with them - but it does not have a mandate. The minister has said, and I accept it, that that was not his intention and that he did not actively deceive the people in December 1996. The idea has occurred to him since then! There was a logical progression, but it occurred to him for the first time when he was driving down Mounts Bay Road or Stirling Highway. If it is such a good idea, the Government should hold off. The election is due to be held in December 2000. The Government can put this idea to the people of Western Australia and, if they agree, it will have a mandate.

The Opposition raised the issue of public disagreement in this place in December 1998 when the minister first announced this move, and the Deputy Premier said that Governments can be defeated. The problem is that that is not part of the democratic doctrine because it is very difficult to unscramble an egg. If the people of Western Australia are opposed to the sale of AlintaGas, it will be small comfort to them to punish the Liberal Party and the National Party - as I am sure they will - at the next election. By then the damage will have been done on the grounds that what we have here is a proposition to privatise an anti-competitive business, a business which will create a privately-owned, vertically-integrated natural monopoly that is inherently anti-competitive. It will leave the people of Western Australia in a vulnerable situation to pressures of price increases by the private owners of those utilities. The Opposition believes that the Bill should be rejected. Even if the Government does not agree with us on that, it would have to concede that this is an important matter of public policy, and



that being the case, the Bill should not be passed by the Parliament until the Government has a mandate for the Parliament to consider it.

**MR MCGINTY** (Fremantle) [4.31 pm]: It is quite clear that one's view on whether AlintaGas should remain in the public arena or be privatised depends upon the philosophical disposition one brings to the debate. During the minister's second reading speech, he said -

There is no convincing reason why AlintaGas should now remain in government ownership.

He went on to comment that the privatisation of AlintaGas is in harmony with the Government's general approach to these issues. He then gave details of the benefits that would flow from the privatisation of AlintaGas. It is interesting to look at these. To me it seems something that is ideologically driven rather than necessarily factually linked. The minister said-

The sale will open up new market opportunities for the AlintaGas business, opportunities which might not eventuate under government ownership. Competing as a private company it is expected to be increasingly innovative and have a preparedness to invest in new technologies that will produce benefits that can be passed on to consumers. Competition between private sector firms is a powerful recipe more likely to bring an extension of natural gas reticulation to other areas in the State.

Why is it that AlintaGas under government ownership cannot do those things? There is nothing profound about this. It just depends upon one's philosophical predisposition to these sorts of matters. It seems to me and the Labor Party that it is right to oppose this legislation. When there is a performing asset delivering an essential service to the community, then privatisation should not be supported unless there are strong reasons to disrupt the status quo. It is also quite clear that that is the view of the broader community. To the extent that polling has been done on this specific issue, the community is opposed to the privatisation of AlintaGas. To the extent that polling has been done on the broader issue of privatisation, it is clear that this privatisation is really rooted in the thinking of a number of years ago rather than in what people are thinking as we come to the end of 1999. In recent times in Australia there have been a number of examples of something which in itself is unpopular, such as this privatisation or the privatisation of Telstra or the New South Wales privatisation of its equivalent of Western Power, has become linked with a popular outcome. The Premier has clearly linked the bringing forward of the construction of the southern suburbs railway with the successful privatisation of AlintaGas. Another example that no-one in his right mind would object to is the lure held out by John Howard for the privatisation of Telstra; that is, the creation of the Heritage Fund to primarily attack the problem of salinity, which is one of Australia's and, in particular, Western Australia's most pressing environmental issues. Salinity is one of the greatest issues confronting this State and is still crying out for a solution. An unpopular or unpalatable proposition was put up, such as the privatisation of Telstra, which was then linked with something like the creation of the Heritage Fund in order to get it through. More recently the sale of the last 16 per cent of Telstra from government ownership was linked to the improvement in regional communications. It is politically very important for the bush constituencies.

**Mr Barnett:** There is an element of truth in what some may see as a strategy. With AlintaGas, questions were raised by our backbenchers about the proceeds of the sale. Proceeds will be used to retire AlintaGas debt and to fund other capital projects - that is valid. After sale, the asset will still be there and money can be used to build and develop others. We can sell AlintaGas and have a railway in addition. What has the community lost? They will still be able to buy gas.

**Mr McGINTY:** We are also losing a performing asset. However, the minister's argument is that it will be replaced by another asset which I suspect in the case of the railway, would not be a performing asset. In an economic sense, I think the minister is taking a step backwards although socially he is going forward.

**Mr Barnett:** You are losing the sense that it is government owned but it is still out there in the community distributing and selling gas to people. People turning on their heaters will not notice any difference. They will still buy gas from Alinta just as they do now.

**Mr McGINTY:** I must say that the southern suburbs railway is something very high on the Opposition's list of priorities as a project from an economic and social point of view. It is very important. It is clear that the timetable for the construction of the railway has been linked to the sale of AlintaGas. In that sense there is a direct link. The Premier has held out the offer to people who live in those southern suburbs that they will get their railway in their lifetime if they or the Parliament agree to the privatisation of AlintaGas. That is holding out a carrot and trying to link together two projects that should not be linked. The Government has a new way of operating and selling unpopular proposals by linking them to something that is popular. Perhaps the most ridiculous example is the one in which the New South Wales Liberal Party came horribly unstuck. It was the proposal to privatise the energy network, the government equivalent of Western Power in NSW. The NSW Government told the NSW public during the recent election that a vote in support of the privatisation would result in \$1 000 to \$2 000 in everyone's pocket. It was a direct bribe to get the public to support an unpopular privatisation during the NSW election campaign. The public is sick and tired of being told about these linkages. Proposals should be looked at on their own merits. If the Bill is defeated, the southern suburbs railway should still be built within the time frame. The public will not be bribed in the same way as the NSW Liberal Party attempted to bribe the people of that State.

**Mr Barnett:** What was proposed in New South Wales was crass. I disagree with you though because I believe the community can make a decision about whether they would rather have Alinta as it is or Alinta under private ownership. There is not an election in the immediate future to decide that but I think you underestimate people's ability to make broad choices and form opinions about things like that.

**Mr McGINTY:** I do not underestimate them. The public realises that resources are finite and that everything cannot be done the way that we would like. If we could do everything the way we wanted to, we would have overcome the salinity problem.

That involves the next idea that has been thrown into the debate by the member for South Perth. I am pleased that the Labor Party is saying a firm no to that in the same way that it is saying a firm no to the Premier's proposal to link the sale of AlintaGas with the timetable for the construction of the southern suburbs railway. We need to say to the public, "Do not let the waters be muddied. Look at the issue on its own merits. Do you or do you not support the privatisation of AlintaGas?" knowing full well that if AlintaGas is privatised, it will inject into government coffers a significant amount of money which, apart from being used to retire AlintaGas's debt, which is the first call, can be used for perhaps further debt reduction or capital works projects. At this stage it is improper to muddy the waters in the way the Premier has done.

One could go through a whole list of pet projects. I agree with the minister that in New South Wales the Liberal Party introduced a crass vote-buying measure to try to link something which was unpopular with something which was popular by putting \$1 000 or \$2 000 into everyone's pocket. That did not work. That shows the sophistication with which the public approaches these issues. When something as crass as that is proposed, the public will go cold on the person proposing it and will not endorse it.

AlintaGas should remain in public ownership. It can do everything in public ownership that it can do in private ownership. There is no reason why with innovative management those sorts of things cannot be done. It is a performing asset, returning dividends to state coffers. It is important that it remain that way.

One could come up with a whole range of alternatives, such as building another hospital or six schools, or a whole series of thoroughly worthwhile public works. I would put the fight against salinity and the railway in that category. The issues come down to a question of the philosophical disposition of the Government and its priorities. From our side of this debate, we would not privatise AlintaGas but leave it in public ownership and take up the building of the southern suburbs railway, which has always been a far higher priority for the people on this side of the House.

**MR KOBELKE** (Nollamara) [4.44 pm]: I oppose the Bill. The Labor Party position is absolutely clear: It is totally opposed to the privatisation of AlintaGas. We believe it is a very important public utility which is serving this State quite well and should remain in public ownership. There are no demonstrated advantages of the privatisation of AlintaGas. That argument is based on a whole range of assessments of the benefit of AlintaGas, the type of governance or control which can achieve benefits for Western Australia and the philosophical attitude that we on this side of the House have to the privatisation of major public assets.

I will not spend much time on the philosophical position, although I may have a chance to touch on it towards the end of my contribution. I wish to dwell mainly on the way in which the Government is handling the sell-off, which is compounding the disadvantage which would flow to this State from AlintaGas being sold off. It appears that the Government has only an ideological commitment to this and that it wants to sell off AlintaGas regardless of whether there are long-term benefits to the people of Western Australia. In addition to the clear ideological position that the Government has established from the time it was first elected, I believe the Government is now being driven by the budgetary problems it is currently experiencing. The Government this year has brought in a budget which has a record deficit. Despite the bleatings of the Premier to the contrary, it is quite clear in the minds of public commentators and people who follow state finances that we have a state budget with a debt in excess of \$600m. That being the case, the Government is strapped for cash. To be able to take the money from the sale of AlintaGas and use it to promise major public sector projects, such as the railway to Mandurah, is of great benefit to the Government. We are getting to a situation where we are looking at a fire sale, where the Government needs the money and AlintaGas is primed for sale. The Government will sell it at any price it can get to be able to promise the people of Western Australia a range of public projects.

I want to draw a parallel between what the Government is doing here and the sale of the SGIO. The SGIO sell-off is very different from that of AlintaGas. However, as I am trying to concentrate on the process involved and the lack of clear objectives of the Government, there is a very clear parallel with the sale of the SGIO. When selling off the SGIO, the Government changed the workers compensation legislation in order to maximise the bottom line of the SGIO. It held up the prospectus for the sale of the SGIO until legislative changes to the Workers' Compensation and Rehabilitation Act were raced through the Parliament. The prospectus was then issued and the Government got a very good price for the SGIO. On the simple matter of achieving the maximum price for the asset it was a win for the Government, but we are now paying the price because it totally stuffed up our workers compensation system. We now have a blow-out of hundreds of millions of dollars in the cost of workers compensation because the Government got it very wrong in 1993 when the Government took its eye off the ball when making changes to the Workers' Compensation and Rehabilitation Act. Its primary interest was in maximising the return from the sale of the SGIO and fixing its bottom line. At that stage the SGIO had a very large portfolio in workers compensation insurance. The changes which meant that it could actuarially adjust its liabilities made the SGIO a much better prospect for a would-be purchaser. The Government maximised the return on the SGIO, which of itself was a good thing, but it did it in such a way that it set up a major problem for industry right across this State, which is now bearing the brunt of very high workers compensation premiums.

Mr Bradshaw: That is not correct.

Mr KOBELKE: It is absolutely correct. We will have a chance to debate that when the Bill on workers compensation is brought forward for debate.

The parallel is there between what the Government did in maximising the value of the SGIO sale and what it is now seeking to do, which is to maximise the value of AlintaGas. It is not looking at the total public good; it is selling off the family silver in order to fix its current problem. The sale is driven purely by the ideological commitment of this Government, which is that privatisation is the way to go regardless of the benefits or disadvantages to the people of this State.

This Government lacks broad public policies. It does not look at an issue such as AlintaGas's privatisation or restructuring in the light of what will benefit Western Australia in the medium to long term. It has no concept of that but simply sees AlintaGas as a very valuable asset, which it is, and it wishes to realise maximum value on it. If it does that by a process which means we will have fewer jobs and that ordinary householders will pay more for gas, that does not come into the equation. All the Government wants is the money in the coffers. Its attitude is that it will pay the price later. The sale will serve its political purpose with an election coming up within about 12 months because it needs the money. If the State pays a huge cost for the next five, 10 or 20 years, this Government is not concerned. It is simply about short-term political advantage; it has no concept of broad public policy to achieve the best outcomes for the families of Western Australia.

Mr Prince: What about the sale of the Commonwealth Bank and Qantas?

Mr KOBELKE: They are very different issues. All Governments of all political persuasions make political decisions which often look to short-term advantage. That is a fact of life, certainly in this case.

Mr Prince: Some of them even make good decisions for proper purposes at the time. The sales of Qantas and the Commonwealth Bank were right at the time.

Mr KOBELKE: They might have been the right decisions. However, Governments of all political persuasions, State and Federal, make decisions which sometimes are more about short-term goals than the long term. One can make a judgment on individual cases.

Mr Prince: It is appropriate to sell AlintaGas.

Mr KOBELKE: I answer one interjection at a time. I responded to the member for Murray-Wellington, and the minister made a point about the judgment made on privatisation in each case. That is a different issue.

Mr Prince: My point is that you are ideologically opposed to privatisation, full stop. There can be good management and rational reasons to sell a business. AlintaGas is a business, and it should be sold. There is no requirement for it to be a government service any more, and it should be handled as a business in the private sector.

Mr KOBELKE: I do not agree with the minister's statement, but his points are valid and should be considered on their merits. We are considering today judgments made on individual issues. I said at the outset that I could spend some time talking about my philosophical and political position, and why ideologically this sale is a bad move.

I move over that to address only a few of the issues the minister raised about what is driving the Government with this decision. The Government is found wanting in those reasons. The Government wants to sell AlintaGas as a monopoly. Currently, it is a public monopoly, and it is to be sold as a private monopoly. Therefore, the people of WA will not benefit. They will pay more for gas to a private company which will maximise profits. The people of the State will be the loser. The winners will be the shareholders, the company and, in the short term, the current Government which will have money to splash around. The long-term loser will be the people of this State who will have not necessarily a better gas distribution system, but a more costly gas supply. This will relate directly to the standard of living for ordinary families, and the supply of cheap energy is crucial to the creation of jobs. It is an important matter, whether AlintaGas is owned privately or publicly, that we have maximum efficiencies and that the price of gas be reduced.

I understand the minister indicated that tariffs have not increased for seven years. I agree it has been some time since an increase occurred in AlintaGas charges. The Bill states that the company which buys AlintaGas can charge more for gas. Therefore, it will not reduce prices. It is anticipated by the provisions in the Bill that the gas price will rise. The Bill states that a nil tariff increase will apply in 1999-2000 and 2000-01. However, as the sale will not go through until the end of this year and into next year, it is not much of a guarantee. In 2001-02, the Bill will cap the increase in price to that of the consumer price index increase. From July 2002, the owner of privatised AlintaGas will be able to increase gas tariffs by the CPI plus 2 per cent. Under the current Government, we have had a nil increase in tariffs for some years. It is in black and white in the Bill: The Government is trying to maximise the sale price of AlintaGas by giving the monopoly owner the opportunity to increase prices for our gas. It is a great concern that the Government, in seeking to advantage itself with a short-term return, will allow it to be sold as a monopoly.

I place on record a few quotes from organisations which looked at how one tries to reduce tariffs in a gas delivery organisation, such as AlintaGas. The Standing Committee on Uniform Legislation and Intergovernmental Agreements in the report titled "Competition Policy and Reforms in the Public Utility Sector" found ". . . there may be a number of issues concerning the privatisation of AlintaGas that need to be addressed including the need to restructure AlintaGas. The Government should proceed with caution when transferring a public monopoly to a private monopoly."

The report also contained this comment from the Chamber of Commerce and Industry of Western Australia: "AlintaGas should be broken up to allow true competition and lower gas prices. Concerns have been raised by others that selling AlintaGas would only create a private monopoly and prices would increase." This conclusion was recommended by an ACIL Consulting report released in March 1999. The report commissioned by the Chambers of Commerce and Industry and Minerals and Energy recommended -

AlintaGas should be split into retail and distribution divisions before the State Government floats the energy utility . . .

That was quoted in *The West Australia* of 30 March 1999, as was the report's claim -

"The distribution network represents a natural monopoly and therefore privatisation must be proceeded by the development of a regulatory regime which ensures access to the network for competitors on an equitable basis, . . ."

Mr Barnett: Yes, we have a regular regime in place now.

Mr KOBELKE: The Government has not addressed those issues, or broken up the vertical integration. It is a natural monopoly, and will be sold in the form of a natural monopoly in order to maximise return to government. That is excellent. However, one should look at the long-term benefit to the State. It is bad to maximise the benefit for this Government in the next 12 months for its political purposes, yet sell down the drain the ordinary consumers and people of Western Australia for the next 20 or 30 years. That is anticipated by this Bill.

AlintaGas is not only a very valuable asset, but also a performing asset. It returns to the State Government each year in the order of \$35m. It is anticipated that over the next four years AlintaGas will return to government a dividend of \$73m and income tax equivalent of \$58m. Over four years, it is anticipated that the return to the State Government would be \$131m, which is clearly in excess of \$30m a year. One is forgoing the asset and the revenue stream to get a one-off lump sum. AlintaGas also anticipates increases in profits, yet the Government will sell it off for a one-off advantage. I do not have time to go into the return on assets. On various analyses, AlintaGas is performing well. Is there net advantage in the long term in selling it off rather than keeping it in state control?

I do not have time to talk about commonwealth-state financial relations. However, we are all aware of the uncertainty the GST will bring. The Government is unwilling to table the analysis of the effects of a GST on Western Australia. We know it will create a hole and be a major problem for the finances of the State. It will further shrink the revenue base of Western Australia. The revenue to the State through dividends and income tax equivalents will be forgone. The company will then pay company tax to the Commonwealth. Therefore, the Commonwealth will be better off, and the State worse off, and the revenue base of the State of Western Australia will be further narrowed. The State of Western Australia, as with most States, has severe financial problems because of the narrowness of its tax base. The further narrowing of that tax base and the sale of performing utilities will exacerbate that problem and make it much more difficult to provide the range of services that are crucial for the Government to meet the needs of the people of this State.

I have said nothing about the differences between what could be provided to the people with AlintaGas being in either private or public ownership. I know government members may argue that in public ownership AlintaGas will be far less efficient than in private ownership. I would be happy to have that debate if there were time. However, there clearly is not much evidence that AlintaGas is inefficient and that a private owner would suddenly improve efficiencies and still maintain the same level of service.

Mr Barnett: I have never suggested that. I think AlintaGas is well run, and under private ownership it will probably be able to go into other areas of related business that would not be available under government ownership.

Mr KOBELKE: I thank the minister for the comment and confirming my view that we are not about improving efficiency. If there are comparable efficiencies, we need to look at the benefits. If AlintaGas is privately owned, clearly it will be driven by profits, and if profits mean higher cost, as is anticipated, that cost will be borne by the ordinary people of this State who are users of gas, and even those who are not, who will find that the opening up of industry through lower gas prices will not provide extra jobs. If AlintaGas were to remain in public ownership, we would continue to enjoy the financial return and, in addition, the Government could take account of how the community could be benefited, whether it be by way of discounts or enhancing the distribution networks in areas in which there may not be maximum profitability. Extra things are possible in government ownership which are not available in private ownership.

In closing, I could go through the reasons which the minister gave in his second reading speech. However, other than encouraging further private sector involvement in the energy industry, they simply do not stand up. Further private sector involvement in the energy industry will be encouraged, but the other goals which the minister has attributed to the sale of AlintaGas will not be achieved. Its sale to a private monopoly will be a great step backwards for this State. On that basis, I am totally opposed to this Bill.

Debate adjourned, on motion by Mr Cunningham.

*House adjourned at 5.02 pm*

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### QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

#### GOVERNMENT DEPARTMENTS AND AGENCIES, CREDIT CARD EXPENDITURE

28. Mrs HOLMES to the Premier; Treasurer; Minister for Public Sector Management; Federal Affairs:
- (1) Will the Premier state the total expenditure on Government credit cards in the Premier's office for the following financial years -
- (a) 1990-91;
  - (b) 1991-92; and
  - (c) 1992-93?
- (2) For each individual credit cardholder in the Premier's office, will the Premier advise -
- (a) the name and position of the cardholder;
  - (b) the credit limit on the card; and
  - (c) the total expenditure on that card in -
    - (i) 1990-91;
    - (ii) 1991-92; and
    - (iii) 1992-93?

Mr COURT replied:

- (1)-(2) Whilst it is not possible to provide the extensive details as requested. I can inform you that between 1990 and 1993 there were two extensive investigations into the use of credit cards in the Ministry of Premier and Cabinet, including the Office of the Premier. The first was conducted in 1990 and focussed on the inappropriate use of Government credit cards within the Ministry of Premier and Cabinet. The results of this investigation have been well documented previously. The second investigation was conducted in February 1993, so that an appraisal of Government credit card use within the Ministry of Premier and Cabinet during the period November 1990 to December, 1992 could be established. This investigation revealed that officers within the Department of Cabinet made extensive use of their Government credit cards to purchase a large number of meals and refreshments from a variety of suppliers during this period.

#### Credit Card Expenditure – Department of Cabinet November, 1990 to December, 1992

DATE	SUPPLIER	AMOUNT \$	ORDERED BY	BATCH No.
?/11/90	Parmelia Hilton	41.70	M. ANDERSON	1090/91
?/11/90	Parmelia Hilton	21.17	M. ANDERSON	1090/91
?/11/90	Parmelia Hilton	34.25	M. ANDERSON	1090/91
?/11/90	Parmelia Hilton	32.25	D. CLARKE	1090/91
27/11/90	Milano's Brassr	79.80	M. ANDERSON	1142/91
?/12/90	Parmelia Hilton	22.80	M. ANDERSON	1142/91
?/12/90	Parmelia Hilton	21.55	M. ANDERSON	1142/91
?/12/90	Parmelia Hilton	47.85	M. ANDERSON	1142/91
11/12/90	Milano's Brassr	136.75	M. ANDERSON	1142/91
13/12/90	Fat Franks	285.30	M. ANDERSON	1142/91
14/12/90	Milano's Brassr	100.60	M. ANDERSON	1142/91
19/12/90	Milano's Brassr	55.80	M. ANDERSON	1142/91
20/12/90	Milano's Brassr	155.50	M. ANDERSON	1142/91
21/12/90	Parmelia Hilton	24.05	M. ANDERSON	1142/91
?/01/91	Parmelia Hilton	37.43	M. ANDERSON	1288/91
21/01/91	Parmelia Hilton	224.00	M. ANDERSON	1288/91
22/01/91	Parmelia Hilton	62.17	M. ANDERSON	1288/91
?/02/91	Parmelia Hilton	11.40	M. ANDERSON	1355/91
6/02/91	Parmelia Hilton	95.50	M. ANDERSON	1230/91

13/02/91	Parmelia Hilton	32.30	M. ANDERSON	1355/91
21/02/91	Parmelia Hilton	42.60	M. ANDERSON	1355/91
?/03/91	Parmelia Hilton	36.55	M. ANDERSON	1706/91
1/03/91	Milano's Brassr	123.90	M. ANDERSON	1706/91
5/03/91	Parmelia Hilton	63.00	M. ANDERSON	1706/91
7/03/91	Milano's Brassr	37.00	M. ANDERSON	1706/91
11/03/91	Bistro Blue	39.90	M. ANDERSON	1706/91
15/03/91	Bistro Blue	28.40	M. ANDERSON	1792/91
17/03/91	Bistro Blue	37.90	M. ANDERSON	0115/92
18/03/91	Bistro Blue	67.70	M. ANDERSON	1792/91
22/03/91	Milano's Brassr	71.60	M. ANDERSON	1706/91
27/03/91	Milano's Brassr	33.00	M. ANDERSON	1706/91
9/04/91	Bistro Blue	41.50	M. ANDERSON	1792/91
?/05/91	Parmelia Hilton	34.80	M. ANDERSON	0115/92
9/05/91	Parmelia Hilton	27.25	M. ANDERSON	0115/92
10/05/91	Parmelia Hilton	21.15	M. ANDERSON	0115/92
16/05/91	Bistro Blue	142.40	M. ANDERSON	0115/92
17/05/91	Bistro Blue	106.10	M. ANDERSON	0115/92
22/05/91	Parmelia Hilton	299.67	M. ANDERSON	0115/92
?/06/91	Parmelia Hilton	50.75	M. ANDERSON	0115/92
6/06/91	Parmelia Hilton	33.45	M. ANDERSON	0115/92
7/06/91	Parmelia Hilton	32.70	M. ANDERSON	0115/92
13/06/91	Parmelia Hilton	87.47	M. ANDERSON	0115/92
13/06/91	Parmelia Hilton	29.00	M. ANDERSON	0115/92
20/06/91	Parmelia Hilton	27.50	M. ANDERSON	0115/92
20/06/91	Parmelia Hilton	27.80	M. ANDERSON	0115/92
2/07/91	Bistro Blue	31.40	M. ANDERSON	0286/92
10/07/91	Parmelia Hilton	46.30	M. ANDERSON	0286/92
19/07/91	Parmelia Hilton	25.00	M. ANDERSON	1230/91
20/07/91	Felix's Rest	270.30	M. ANDERSON	0286/92
1/08/91	Jade Flowers	54.20	M. ANDERSON	0567/92
5/08/91	Parmelia Hilton	31.80	M. ANDERSON	0249/92
7/08/91	Parmelia Hilton	47.53	M. ANDERSON	0567/92
9/08/91	Bistro Blue	156.10	M. ANDERSON	0567/92
9/08/91	Parmelia Hilton	40.05	M. ANDERSON	0567/92
11/08/91	Parmelia Hilton	20.75	M. ANDERSON	0567/92
14/08/91	Royal India	91.75	M. HELM	0567/92
16/08/91	Milano's Brassr	53.40	M. ANDERSON	0567/92
21/08/91	Parmelia Hilton	134.00	M. HELM	0567/92
22/08/91	Parmelia Hilton	31.90	M. ANDERSON	0567/92
26/08/91	Fasta Pasta	49.50	M. ANDERSON	0567/92
29/08/91	Hay Bistro	253.80	M. ANDERSON	0567/92
3/09/91	Bistro Blue	99.50	M. HELM	0567/92

4/09/91	Parmelia Hilton	48.40	M. ANDERSON	0567/92
6/09/91	Parmelia Hilton	27.70	M. ANDERSON	0567/92
11/09/91	Gavino Rest	123.00	M. ANDERSON	0567/92
12/09/91	Bistro Blue	48.00	M. ANDERSON	0567/92
20/09/91	Parmelia Hilton	40.90	M. ANDERSON	0567/92
11/10/91	Parmelia Hilton	166.90	M. ANDERSON	1002/92
21/10/91	Parmelia Hilton	24.30	M. HELM	1069/92
22/10/91	Parmelia Hilton	32.70	M. ANDERSON	1002/92
24/10/91	Hay Bistro	76.20	M. HELM	1069/92
26/10/91	Parmelia Hilton	28.10	M. ANDERSON	1002/92
28/10/91	Hay Bistro	39.40	M. HELM	1069/92
29/10/91	Parmelia Hilton	16.30	M. ANDERSON	0683/92
29/10/91	Parmelia Hilton	99.65	M. ANDERSON	0683/92
4/11/91	Parmelia Hilton	62.20	M. ANDERSON	1002/92
13/11/91	Parmelia Hilton	19.15	M. ANDERSON	0933/92
15/11/91	Tinelli's Rest	134.10	M. ANDERSON	0933/92
25/11/91	Parmelia Hilton	30.90	M. ANDERSON	0933/92
26/11/91	Parmelia Hilton	19.00	M. ANDERSON	0933/92
27/11/91	Milano's Brassr	60.20	M. HELM	0893/92
27/11/91	Parmelia Hilton	30.00	M. ANDERSON	0933/92
28/11/91	Parmelia Hilton	46.30	M. ANDERSON	0933/92
?/12/91	Bistro Blue	101.40	M. ANDERSON	1272/92
3/12/91	Perugino Rest	190.50	M. HELM	1269/92
6/12/91	San Lorenzo Rest	238.00	M. ANDERSON	1272/92
9/12/91	Parmelia Hilton	71.65	M. ANDERSON	1272/92
9/12/91	Hay Bistro	63.70	M. HELM	1269/92
16/12/91	Fasta Pasta	63.80	M. ANDERSON	1272/92
17/12/91	Parmelia Hilton	39.85	M. ANDERSON	1272/92
19/12/91	Chez Uchino	75.50	M. ANDERSON	1272/92
10/01/92	Parmelia Hilton	22.85	M. ANDERSON	1272/92
15/01/92	Mieke's Koffie	28.25	B. CHAN	0125/93
17/01/92	Bistro Blue	54.70	M. ANDERSON	1272/92
24/01/92	Parmelia Hilton	15.60	M. ANDERSON	1272/92
30/01/92	Parmelia Hilton	40.45	M. ANDERSON	1272/92
4/02/92	Hay Bistro	59.80	M. HELM	1269/92
11/02/92	Parmelia Hilton	54.85	M. ANDERSON	1425/92
12/02/92	Parmelia Hilton	67.53	M. ANDERSON	1425/92
13/02/92	Observation City	81.05	M. HELM	1375/92
14/02/92	Hay St Bistro	80.80	M. HELM	1180/92
14/02/92	Hay Bistro	80.80	M. HELM	1375/92
18/02/92	Bistro Blue	63.50	M. ANDERSON	1425/92
19/02/92	Parmelia Hilton	54.65	M. ANDERSON	1425/92
19/02/92	Parmelia Hilton	44.40	M. HELM	1375/92

25/02/92	Parmelia Hilton	42.05	M. ANDERSON	1425/92
28/02/92	Bistro Blue	150.90	M.HELM	1665/92
?/03/92	Parmelia Hilton	114.00	M.HELM	1665/92
?/03/92	Parmelia Hilton	64.60	M.HELM	1665/92
4/03/92	Parmelia Hilton	42.50	M.HELM	1375/92
4/03/92	Parmelia Hilton	38.45	M. ANDERSON	1425/92
5/03/92	Parmelia Hilton	63.55	M. ANDERSON	1425/92
5/03/92	Parmelia Hilton	88.70	M. ANDERSON	1425/92
10/03/92	Parmelia Hilton	42.20	M. ANDERSON	1665/92
10/03/92	Hay St Bistro	102.60	M.HELM	1665/92
23/03/92	Parmelia Hilton	41.60	M.HELM	1601/92
27/03/92	King Street	57.20	M. ANDERSON	1665/92
27/03/92	Bistro Blue	234.40	M. ANDERSON	1665/92
30/03/92	Bistro Blue	116.10	M. ANDERSON	1665/92
1/04/92	Parmelia Hilton	37.15	M. ANDERSON	1665/92
10/04/92	Hay Bistro	128.70	M.HELM	1773/92
29/04/92	Parmelia Hilton	74.00	T. PHATOUROS	1697/92
?/05/92	Sorrento Rest	76.00	M.HELM	0182/93
6/05/92	Hay St Bistro	87.60	M.HELM	1629/92
12/05/92	Sorrento Rest	76.00	M.HELM	1654/92
13/05/92	Parmelia Hilton	34.10	M. ANDERSON	0182/93
18/05/92	Parmelia Hilton	51.90	M. ANDERSON	0182/93
22/05/92	Parmelia Hilton	27.50	M. ANDERSON	0182/93
25/05/92	Parmelia Hilton	25.50	M. ANDERSON	0182/93
25/05/92	Parmelia Hilton	33.15	M. ANDERSON	0182/93
26/05/92	Chianti on Colin	88.00	M.HELM	0182/93
27/05/92	King St Cafe	63.10	M.HELM	1721/92
29/05/92	Parmelia Hilton	50.50	M. ANDERSON	0182/93
?/06/92	Parmelia Hilton	126.27	M. ANDERSON	0182/93
2/06/92	Parmelia Hilton	50.60	M. ANDERSON	0182/93
?/08/92	Hay Bistro	68.70	M.HELM	0421/93
?/08/92	Parmelia Hilton	175.00	M. ANDERSON	0421/93
18/08/92	Parmelia Hilton	110.00	M.HELM	0421/93
19/08/92	Parmelia Hilton	17.30	M. ANDERSON	0421/93
26/08/92	Parmelia Hilton	48.00	M. ANDERSON	0421/93
27/08/92	Parmelia Hilton	116.00	M. ANDERSON	0421/93
27/08/92	Parmelia Hilton	55.20	M. ANDERSON	0421/93
31/08/92	Parmelia Hilton	70.00	K. ALLUM	0417/93
?/09/92	Fasta Pasta	97.20	M.HELM	0563/93
?/09/92	Burswood Resort	171.10	M.HELM	0563/93
?/09/92	Hay Bistro	108.40	M.HELM	0421/93
1/09/92	Parmelia Hilton	168.60	M.HELM	0421/93
1/09/92	Toledo Bar&Cafe	124.50	M. ANDERSON	0421/93



3/09/92	Wellington's	212.50	M. ANDERSON	0421/93
4/09/92	Parmelia Hilton	24.00	M. ANDERSON	0421/93
4/09/92	Bistro Blue	73.90	M. ANDERSON	0421/93
10/09/92	Parmelia Hilton	45.20	M. ANDERSON	0563/93
14/09/92	Parmelia Hilton	36.75	M. ANDERSON	0563/93
15/09/92	Parmelia Hilton	41.00	M. ANDERSON	0563/93
23/09/92	Parmelia Hilton	25.60	M. ANDERSON	0563/93
15/10/92	Parmelia Hilton	140.00	M. ANDERSON	0997/93
15/10/92	Parmelia Hilton	36.00	M. ANDERSON	0997/93
22/10/92	Parmelia Hilton	52.00	M. ANDERSON	0997/93
12/11/92	Parmelia Hilton	41.50	M. ANDERSON	0725/93
13/11/92	Parmelia Hilton	102.50	M. ANDERSON	0849/93
17/12/92	Parmelia Hilton	64.60	M. ANDERSON	0849/93

#### GOVERNMENT DEPARTMENTS AND AGENCIES, REGIONAL ACCESS PLANS

243. Mr BROWN to the Minister for Primary Industry; Fisheries:

In relation to the Government's election commitment that all Government agencies will develop and publish an affirmative action program (the Regional Access Equity Plan) to improve delivery of services to regional Western Australia will the Minister table the Regional Access Plans that have been published by agencies for which they are responsible?

Mr HOUSE replied:

On July 7 1999 a draft Regional Development Policy for Western Australia was released for public comment. The draft policy includes strategies to ensure equitable access to an appropriate range and mix of services across the regions. The draft policy will require government agencies to include as part of their reporting requirements details of their achievements in delivering services to regional customers. This reporting would be consolidated under the Government's Customer Focus Policy. In addition, the draft policy suggests the development of a State of the Regions report that would include information on all aspects of regional living including levels of service delivery, economic performance, demographic details and quality of life measures. The draft policy is open for public comment until 3 September 1999. Implementation of these initiatives will meet the Government's commitment to monitoring the level of service delivery to regional Western Australia.

#### COMMERCE AND TRADE, INVESTMENT ATTRACTION

291. Mr BROWN to the Minister for Commerce and Trade:

(1) In the 1999-2000 financial year what -

- (a) funds; and
- (b) initiatives

will be allocated/taken to attract investment that adds to the State's productive capabilities?

(2) What -

- (a) funds; and
- (b) initiatives

did the Government allocate/undertake in the 1998-99 financial year to attract investment that added to the State's productive capacity?

Mr COWAN replied:

(1) (a)-(b) Many initiatives have more than one objective and it is often difficult to apportion costs against individual objectives. Trade Missions aim to both promote exports and attract investment and a particular example is a major promotion to be held at Selfridges in London from 16 September to 1 October this year. A number of departments are co-operating in this event which has both trade and investment outcomes. The State's overseas offices also play an important role in attracting investment but it is not possible to place a precise figure on the costs. In 1999-2000 funds have been allocated as follows:

Prefeasibility Study Funding	\$ 35 000
Investment Evaluations	\$ 42 000
US Company Database Study	\$100 000
Other Major Projects Investment Marketing	\$112 000
Total	\$289 000

The following Industry Incentive payments are allocated for 1999-2000 (the first two of these represent part payments of the total incentive):

Nobel Investments	\$ 140 000
Canning Vale Weaving Mills	\$1 000 000
International Oceanographic Commission	\$ 160 000
ASI Incentive Subsidy	\$ 80 000
Total	\$1 380 000

Regional Headwork Development Scheme (RHDS) approved expenditure for 1999-2000 financial year is \$6.9 million of which the following has been specifically allocated:

West Arthur Health & Resource Centre	\$ 7 308
Southern Wire Pty Ltd	\$ 17 386
Great Southern Regional Cattle Saleyards	\$ 530 250
Dolphin Lodge	\$ 8 689
EG Green & Sons	\$ 634 550
Blackrock Caravan Park	\$ 204 882
Ferngrove Vineyards	\$ 68 089
Dazabel Pty Ltd	\$ 18 701
Shire of Goomalling	\$ 92 940
APBT Australia Pty Ltd	\$1 000 000
Western Resources Recovery	\$ 26 001
Avonmore Holdings	\$ 140 000
Shire of Corrigin	\$ 82 940
Junction Caravan Park	\$ 26 660
Shire of Narembeen	\$ 50 000
Bayside Abalone	\$ 57 750
GCM Engineering	\$ 21 788
Cambinata Yabbies	\$ 29 963
SS & SA Brindal	\$ 11 423
Hyden Tourist Development Company	\$ 27 442
Total	\$3 064 070

- (2) (a)-(b) As outlined above, it is difficult to distinguish between trade promotion and investment attraction expenditure. In 1998-99 the Industry Development Division of the Department of Commerce and Trade participated in 34 missions and exhibitions. Three particularly significant exhibitions considered as investment attraction vehicles were:

- Offshore Technology Conference (oil and gas services) in Houston, USA;
- SIAL – the major food and related industry exhibition in Paris; and
- Offshore Northern Seas Exhibition (oil and gas services) in Stavanger Norway.

In addition, the Department of Commerce and Trade participated in Comdex, the Information Technology and Communications Exhibition in Las Vegas. A major new investment brochure "The Access Zone" and associated video were produced at a cost in 1998-99 of \$37 262. Specific industry incentive project expenditure in 1998-99 was:

Nobel Investments	\$ 681 078
Canning Vale Weaving Mills	\$1 000 000
Benale Pty Ltd (Fletcher International)	\$2 500 000
(plus \$2 675 787 paid from the RDS – see below)	
ASI Incentives Subsidy	\$ 76 750
King River International Pty Ltd	\$ 129 462
Compagnie d'Importation de Laines	\$ 114 375
Total	\$7 177 452

Regional Headworks Development Scheme (RHDS) Expenditure for 1998-99 financial year (as at 30 June 1999)

Town of Port Hedland	\$ 10 414
All Quip Engineering	\$ 5 389
Notre Dame Kimberley Centre	\$ 39 119
Benale Pty Ltd (Fletcher International)	\$2 675 787
Indian Ocean Café	\$ 950
I & T Peirce, Duranillin	\$ 9 273
North Midlands Contracting Pty Ltd	\$ 3 942
General Engineering and Maintenance Services	\$ 5 888
Tammin Air Conditioning and Refrigeration	\$ 7 071
Camena Management Pty Ltd	\$ 7 818
Beaufort River Meats	\$ 5 698
Yamatji Media Aboriginal Corporation	\$ 7 421
AAA Egg Company Pty Ltd	\$ 41 250
Donnelly Timber Company	\$ 83 375
Porongurup Winery	\$ 145 000
Fairbridge Western Australia Inc	\$ 31 640
HNH Grazing	\$ 23 618
Drummond Cove Holiday Park	\$ 66 687
Modern Holding Pty Ltd	\$ 18 811
Hyden Business Development Pty Ltd	\$ 26 600
Gascoyne Gold	\$ 41 525
City of Albany	\$ 47 800
Shire of Merredin	\$ 97 379
Total	\$3 402 455

The sum of \$1 601 775 was also paid to BankWest to finalise the support package agreed with the Orbital Engine Company in 1989. Program funding included:

Prefeasibility Funding	\$27 439
Investment Evaluation	\$19 497
Total	\$46 936

Other expenditure on Major Projects Investment Marketing was \$172 897 for expenditure on a range of smaller initiatives.

#### SYDNEY OLYMPICS, DEPUTY PREMIER'S ATTENDANCE

461. Mr McGOWAN to the Deputy Premier; Minister for Commerce and Trade; Regional Development; Small Business:

- (1) Will the Deputy Premier be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Deputy Premier's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr COWAN replied:

- (1) No.
- (2)-(4) Not applicable.

#### SYDNEY OLYMPICS, ATTORNEY GENERAL'S ATTENDANCE

462. Mr McGOWAN to the Minister representing the Attorney General:

- (1) Will the Attorney General be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Attorney General's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr PRINCE replied:

I refer the member to my answer to Question on Notice 477.

#### SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

463. Mr McGOWAN to the Minister for Resources Development; Energy; Education:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr BARNETT replied:

- (1) No.
- (2)-(4) Not applicable.

#### SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

464. Mr McGOWAN to the Minister for Primary Industry; Fisheries:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr HOUSE replied:

- (1)-(4) I have no intention of attending any function at the 2000 Sydney Olympic Games.

#### SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

468. Mr McGOWAN to the Minister for Lands; Fair Trading; Parliamentary and Electoral Affairs:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?

- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr SHAVE replied:

- (1) Not known.
- (2)-(4) Not applicable.

SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

469. Mr McGOWAN to the Minister for Housing; Aboriginal Affairs; Water Resources:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Dr HAMES replied:

- (1) No plans at this stage.
- (2)-(4) Not applicable.

SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

470. Mr McGOWAN to the Minister for Local Government; Disability Services:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr OMODEI replied:

- (1)-(4) Neither my wife nor I have any plans to attend the Olympics. Our adult children are entitled to make their own arrangements in their lives and I do not know whether they propose attending the Olympic Games. I do not know whether any of my staff intend going to the Games and even if they do, it is none of my business nor the member's. There are clear Government guidelines for interstate travel on Government business and they will be adhered to by me and my staff.

SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

471. Mr McGOWAN to the Minister for Health:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr DAY replied:

- (1) No, not in an official capacity.
- (2)-(4) Not applicable.

SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

472. Mr McGOWAN to the Minister representing the Minister for Finance:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr COURT replied:

The Minister for Finance has provided the following response.

- (1) Yes I will be attending the Sydney Olympics.
- (2)-(3) This is my private business.
- (4) All events are at my personal cost.

SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

473. Mr McGOWAN to the Minister for Works; Services; Youth; Citizenship and Multicultural Interests:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr BOARD replied:

- (1) I have no plans at this time to attend any events or functions at the Sydney Olympics.
- (2)-(4) Not applicable.

SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

474. Mr McGOWAN to the Minister representing the Minister for Racing and Gaming:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr COWAN replied:

The Minister for Racing and Gaming has provided the following response:

- (1)-(4) I refer the member to my response to Question No 472.

SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

476. Mr McGOWAN to the Minister for Police; Emergency Services:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr PRINCE replied:

- (1) No.
- (2)-(4) Not applicable.

SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

477. Mr McGOWAN to the Minister representing the Minister for the Arts:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mrs EDWARDES replied:

The member's question does not deal with anything within my portfolio.

SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

478. Mr McGOWAN to the Minister representing the Minister for Transport:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?

- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mr OMODEI replied:

The Hon Minister for Transport has provided the following response:

- (1) There are no plans at this time to attend the Sydney Olympics.
- (2)-(4) Not applicable.

#### SYDNEY OLYMPICS, ATTENDANCE BY MINISTERS

480. Mr McGOWAN to the Parliamentary Secretary to the Minister for Justice:

- (1) Will the Minister be attending any events or functions at the Sydney Olympics?
- (2) If so, when and which events?
- (3) What is the estimated cost of the Minister's attendance and any attendance by his family and staff?
- (4) Who is meeting these costs?

Mrs van de KLASHORST replied:

I refer the member to my answer to Question on Notice 477.

#### QUESTIONS WITHOUT NOTICE

##### DERBY-WEST KIMBERLEY TIDAL POWER PROJECT

**142. Dr GALLOP to the Minister for Energy:**

I refer to comments by the federal member for Kalgoorlie, Barry Haase, that the only stumbling block to the Derby tidal power project was the lack of an indication of support from the State Government and also to the revelation in the Legislative Council on Tuesday that no formal state government application for federal funding has been made, and ask -

- (1) When will the minister set aside his personal biases and give this project a fair go?
- (2) Is it not the minister to whom Mr Haase refers as the stumbling block?

**Mr BARNETT replied:**

- (1)-(2) As members in this House know, the State Government, under an independent chair, set up a committee to look at regional power supplies in Western Australia and sought expressions of interest for the supply of power into the west Kimberley area encompassing Fitzroy Crossing, Derby, Broome and, presumably, also some Aboriginal communities. Around 12 proponents entered into that process. A short list was created and finally we narrowed it down to two preferred proponents, they being Wesfarmers Energy-State West Power, Energy Equity Corporation-Woodside Energy and two other projects, one of which was the Derby tidal project which was put into a reserve category. Those recommendations were made independently of me and of government, but were accepted by government. The recommendations were made after an exhaustive process which has been ongoing for about eight months. The criteria included such things as reliability of power supply, cost of power supply, ability to finance the project, technical reliability, construction risk and a whole host of other factors, environmental and the like. On the basis of all of those factors, a recommendation was made by the committee. The Government, through Western Power is now in the process -

Mr Ripper: Isn't the one stumbling block financial and couldn't that be solved if you were prepared to approach the Federal Government for that financial support?

Mr BARNETT: The Federal Government's only offer has been of \$1m to the proponents of the Derby tidal project if they are successful in completing and winning the tender. That \$1m has not been paid to them; it has been offered to them if they are successful. The Federal Government has not offered any assistance formally to the State Government.

Dr Gallop: Have you approached it?

Mr BARNETT: No. Members opposite may also realise that no criteria have been released for this federal funding.

Dr Gallop: It is waiting for you to visit it.

Mr BARNETT: This is the so-called federal funding that came out of the Howard-Lees goods and services tax package. There are no criteria, there is no process and there is no application form. A number of federal members of Parliament have been saying the project is being held up by the State Government, and me in particular. The proponents of the Derby tidal

project, subject to normal environmental processes and subject to raising finance and the like, can build the project tomorrow; I am not standing in their way. However, what they seek is a contract from Western Power to buy electricity and I am saying it must meet reliability and technical criteria and the like. The Opposition would love to say I am the problem and it can say that if it wants to. However, the problem is that the estimated capital cost of construction was \$80m; it is now up to \$360m. The proponents have talked publicly about Federal Government assistance of \$120m. Even the federal minister posed the question of where the other \$240m will come from. It is a big ask. Even if \$120m comes from the Commonwealth, which I doubt, where will the other \$240m come from? I do not want to criticise this project. Like everyone else I would love to see a tidal power station. We are all attracted to solar, tidal and wind power. We must look at the reality. A major infrastructure funding group called Infratil Australia Ltd spent approximately \$4.6m on the project, and withdrew from it in April on the grounds the project was neither technically nor financially viable.

#### DERBY TIDAL POWER STATION

##### 143. Dr GALLOP to the Minister for Energy:

In the minister's assessment of this project has he taken into account the greenhouse targets that our nation must meet as part of the Kyoto agreement?

**Mr BARNETT replied:** The Kyoto Protocol has not been ratified. Kyoto will not become a reality unless the United States Congress ratifies it. That is unlikely to happen in the next two years. The Kyoto Protocol is an international agreement on targets which, as yet, has no legal standing, although all countries around the world will adopt greenhouse targets.

Renewable energy saves on greenhouse emissions. If \$120m of public money were available, and the objective were to reduce greenhouse emissions, I can assure members that we could do far more over a range of applications than simply fund a tidal power station in the relatively small community of Derby. Let us be clear about the objective. The current power generation in Derby is by diesel. If one of the gas proponents wins - and gas produces about half of the greenhouse emissions produced by diesel - presumably there will be no cost to the public purse. If the tidal project is supported - it may be - greenhouse emissions will be reduced. That will require government assistance of \$120m - equivalent to the cost of 26 primary schools. However, the project will also require a backup diesel power station to be built in every town in the area. Various estimates are that at times generation may be 45 per cent diesel and 55 per cent tidal. The net effect on greenhouse is somewhat equivocal.

#### AUSTRALIA-CHINA TRADE AND INVESTMENT SUMMIT

##### 144. Mr OSBORNE to the Deputy Premier:

Can the Deputy Premier advise the House on his attendance at the Australia-China Trade and Investment Summit on Tuesday and the Premier's meeting with the Chinese President Jiang Zemin today?

**Mr COWAN replied:** I thank the Government Whip for some notice of that question. I did attend the Australia-China Trade and Investment Summit in Melbourne on Tuesday. I found the summit interesting. There were presentations from both Australia and China. In addition to attending the summit, I attended the breakfast with some of the representatives from the corporations that are important to Australia. That includes the China National Offshore Oil Corporation and the Shenzhen Investment Holdings Group which between them will hold 51 per cent of proposed LNG terminal that will be built in China. We also met with the Chairman of the Shanghai Baosteel Group and the President of the China Iron and Steel Industry and Trade Group Corporation. Baosteel is the largest importer of Australian iron ore into China. The investment company China Iron and Steel Industry and Trade Group Corporation is the investor in the Channar group. They were interested in maintaining the level of import of iron ore and ensuring that Western Australia is able to develop as a reliable supplier of LNG to China.

That takes me to the second, and perhaps the most important aspect of the question. The Premier spoke with me today. He met with the Chinese President, Jiang Zemin, today for 15 minutes. In that meeting the President reminded the Premier that he visited Perth and the Pilbara 12 years ago. The President informed the Premier that he had been impressed then and remains impressed by the abundant resources of this State and their proximity to China, and that we should have confidence in our negotiations to be the supplier of LNG to the People's Republic of China. We understand that there is still a long way to go before that project is listed. However, if it is successful a considerable additional volume of LNG will be available to export markets.

#### CANCER PATIENTS, ACCESS TO TEACHING HOSPITALS

##### 145. Ms McHALE to the Minister for Health:

- (1) Will the minister confirm that the Metropolitan Health Service Board has considered stopping cancer patients having access to outpatient services currently provided at one or more teaching hospitals?
- (2) If yes, why has this been considered by the board and will the minister guarantee to cancer patients that they will not be denied access to outpatient services at any of our teaching hospitals?

**Mr DAY replied:**

- (1)-(2) I am certainly not aware of any proposal by the Metropolitan Health Service to deny access to treatment for cancer patients. I will make inquiries into the issue which has been raised by the member for Thornlie. I have made it clear to the Metropolitan Health Service that any decisions it makes should not result in any negative impact on the provision of clinical services.

LONGLEY, MS LAURA, EDUCATION DEPARTMENT

**146. Mr PENDAL to the Minister for Education:**

I refer to the report tabled on Tuesday in which the Commissioner for Public Sector Standards found that in relation to Laura Longley, the former principal of the Como Senior High School, the Education Department had failed to comply with its own discipline standard.

- (1) In view of the punishment meted out to Ms Longley - that is, demotion from principal to classroom teacher - will the Education Department officers who conducted the inquiry now be disciplined for their failures as outlined in the report?
- (2) If not, why not?
- (3) Is the minister aware of section 8(1)(c) of the Public Sector Management Act which outlaws treatment which is unfair and inconsistent and administrative acts which are arbitrary and capricious?
- (4) If so, will the minister act on the specific recommendation made by Mr Saunders to inquire into whether any staff member of the department contravened that section of the Public Sector Management Act?

**Mr BARNETT replied:**

I thank the member for some notice of this question.

- (1)-(4) The report by the Commissioner for Public Sector Standards did not refer to any individual, although there was reference to a "Ms E" who may have similar circumstances to Laura Longley the former principal of Como Senior High School. Laura Longley filed proceedings in the Industrial Relations Commission for wrongful dismissal, and it should be noted on the public record that the commission dismissed her application. She is appealing against that, and that process will run its course. That needs to be made clear. Disciplinary actions were taken against Ms Longley some time ago over a series of issues relating to Como Senior High School. She was suspended initially without pay and then subsequently on full pay. Ultimately some disciplinary procedures resulted in her demotion.

Mr Ripper: Quite a bit of money was wasted in that exercise. They were very slow.

Mr BARNETT: The member for Belmont says that money was wasted. Any disciplinary inquiry is expensive. While this instance in no way related to children, I make the observation that in a portfolio such as Education, and to the same extent in Health, whenever disciplinary procedures are initiated, inevitably, extreme care must be taken and often they take some time. That is not a circumstance relating to Ms Longley. However, we must be extremely careful when we deal with allegations involving children, and adults dealing with children. We must exercise great caution and sometimes the process is cumbersome.

However, the Commissioner for Public Sector Standards has made the point that the procedures followed by the Education Department were slow. He has implied that perhaps they were unreasonable and unfair, and has recommended an inquiry. The report does not indicate any specific allegation as to how the department may have been unfair or unreasonable. However, the department has already started to improve procedures, and I intend to seek Crown Law advice on the report to determine exactly what Mr Saunders means and to meet Mr Saunders. I assure the member and say on behalf of Peter Browne, the acting director general, that we have no difficulty with the report. The Government concedes that there have been misgivings and failings in the disciplinary procedures within the Education Department. I do not like full-scale inquiries and reviews, but the matter will be discussed with Mr Saunders and Crown Law to make sure the appropriate response is followed through.

PATIENT ASSISTED TRAVEL SCHEME, CHANGES

**147. Mr SWEETMAN to the Minister for Health:**

In view of the importance of the patient assisted travel scheme to assist country patients accessing specialist medical services, will the minister advise of proposed changes to the scheme?

**Mr DAY replied:**

The patient assisted travel scheme is a very important scheme to help the people living in rural and remote parts of Western Australia who need to travel long distances to access specialist medical outpatient services. It operates in a number of ways. It provides assistance with the cost of travel by road or air, where appropriate; assistance with accommodation where necessary and appropriate; and assistance with an escort to travel with the patient where that is necessary. I am pleased to advise that as from 1 October this year, the allowance for road travel by private car will increase from 10¢ to 13¢ a kilometre across Western Australia. This increase reflects the increased cost of travel and will be very welcome for rural and remote residents of Western Australia who are required to travel long distances to access specialist medical services.

In addition, there has been a comprehensive and user-friendly rewrite of the PATS manual, which will be released on 1 October. It will help to overcome any inconsistent or ambiguous interpretation of the PAT scheme administrative guidelines. Also, a new doctor information kit has been developed to assist medical practitioners, and the current PATS application forms have been revised to make it easier for consumers to apply for PATS assistance. An information brochure for consumers has been developed to assist in the education and promotion of PATS.



With the increase in the per kilometre allowance, the total annual expenditure on the PAT scheme is approximately \$9.1m, which is a very substantial contribution towards ensuring that country residents have reasonable access to specialist medical treatment.

#### EDUCATION PORTFOLIO, MINISTER'S ACHIEVEMENTS

##### **148. Mr CARPENTER to the Minister for Education:**

Which does the minister see as his greatest achievement in the Education portfolio so far? Is it being the first minister in living memory to preside over a decline in participation rates to year 12 in state schools, or being the first minister in living memory to preside over a department unable to fully staff schools by the middle of the third term?

##### **Mr BARNETT replied:**

I suppose we are meant to regard that as a clever question. I refer to the second part of the question first. As of now, there are 11 vacancies in Western Australian schools.

Dr Gallop: It is September 1999.

Mr BARNETT: Out of 17 500 teaching positions, there are only 11 vacancies.

Dr Gallop: It is the first time in history.

Mr BARNETT: There are always vacancies in schools. There is always staff turnover, and I have acknowledged that this has been a most difficult year for me, if not the most difficult ever. I can see that for a whole lot of reasons. Members may be interested to know that the majority of the 11 teaching vacancies are in the metropolitan area, and they are specialist teaching positions mainly in high schools. There are shortages in technology and design -

Several members interjected.

The SPEAKER: Order!

Mr BARNETT: What is the point, Mr Speaker, if there is such total interruption?

The first part of the question referred to participation rates. It is a very complicated factor. Participation rates are well above their level of 10 years ago. Participation rates in government schools are now around 65 per cent; they were probably about 50 per cent 10 years ago. The trend is a dramatic increase. The proportion of young people going through to year 12 increased in the early 1990s, at a time which coincided with record youth unemployment. There is no doubt that in times of high unemployment, young people choose to stay at school. That is desirable. It is far better that they stay in education than be unemployed. Participation rates have continued to rise, but there is now a very different effect.

The participation rates through to year 11, as distinct from year 12, have increased and are well above those to year 12. We do not have any statistics, but anecdotally there is an explanation. Three years ago 3 per cent of students in years 11 and 12 did vocational education. Today 26 per cent of students are in vocationally structured workplace programs. Students are staying at school for vocational programs, doing structured workplace learning and then moving into the work force, typically late in year 11 or early in year 12. The proportion of young people in the 16 and 17 year age group doing TAFE courses in conjunction with employment has increased dramatically. I am determined to see participation rates rise to around 90 per cent, but young people today are staying at school to do structured workplace learning, and mixtures of school and TAFE courses. The nature of employment has changed. I encourage the member for Willagee to bring on a motion about participation rates because it is far more complicated than people think, and the story from the Government on employment and training is much better than the member thinks it is.

#### MOTORCYCLE GANGS, POLICE OPERATIONS

##### **149. Mr JOHNSON to the Minister for Police:**

It is about a year since the Western Australia Police Service set up the task force, Operation Gallipoli, to counter the activities of the outlaw motorcycle gangs. I understand a conference was held in Adelaide of senior Australian police officers to discuss outlaw motorcycle gangs and their activities. Will the minister give a summary of the resolutions of that conference, as they relate to the operations of our Police Service to combat these gangs?

##### **Mr PRINCE replied:**

I know the member for Hillarys has a particular interest in matters of law and order, and I thank him for the question.

A conference was held in Adelaide two-and-a-half weeks ago, involving members from police services around Australia, specifically to talk about outlaw motorcycle gangs. Western Australia in particular and, to a certain extent, South Australia are generally leading the way in trying to control the way in which these people operate. New South Wales and Victoria are beginning to follow because they are experiencing the same problems. At the conference the Western Australia Police Service was able to make a number of presentations about Operation Gallipoli, the task force, and the strategies used - both operationally and in a management sense. Some of the results of the intelligence collection methodologies attracted considerable attention from other States. At the conclusion all the other jurisdictions noted the experience of Western Australia and want to employ some of its strategies. A good deal of material was exchanged at the conference, but a good deal is being sent in written and other forms to those other police jurisdictions. That includes a training program for operational officers, some of the structures employed in the task force, a selection of some operational plans, documentation and so on.

I will take this opportunity to give the House a very quick update of some of the statistics relating to Operation Gallipoli. The number of unlicensed firearms seized to date is 78, together with 16 000 rounds of ammunition. In total, 203 search warrants have been executed. Drugs seized to date are: More than 330 ecstasy tablets, more than 1 gram of heroin, 1.1 kilograms of amphetamines, and 20.6 kilograms of cannabis. In addition, \$174 433 in drug-related cash has been seized. There have been 1 126 charges preferred, 239 arrests and more than 3 000 people stopped for one reason or another in vehicle stops, licence checks and things of that nature. The operation is working extremely well to contain the violence which erupted about a year ago and which escalated to the murder of Marc Chabriere, which is the most serious crime committed and which is subject to investigation. However, at this stage we seem to be leading the rest of Australia in the policies and operational processes and procedures used to contain the activities of these people who choose to operate outside the law.

#### PORONGURUP WINERY

**150. Mr RIPPER to the Minister for Commerce and Trade:**

- (1) Will the minister confirm that his department gave in part and lent in part a total of \$145 000 of taxpayers' money to Porongurup Winery in 1998 under the regional headworks development scheme?
- (2) Will the minister also confirm that his National Party colleague and member for the South West Region, Hon Murray Montgomery, is a director of and major shareholder in Porongurup Winery?
- (3) Given that Mr Montgomery did not disclose his directorship in his 1997-98 annual statement of financial interests, did the minister know of his links with the company when the grant was made?

**Mr COWAN replied:**

- (1)-(3) Yes. At the time of the application by Porongurup Winery for assistance through the regional headworks scheme, I received a letter from the member advising me that he was a director of that company and indicating his interest in it. Nevertheless, the company was eligible for assistance under the scheme. It is an open-access scheme which must meet criteria of eligibility. The company was eligible and the assistance was provided.

#### PORONGURUP WINERY

**151. Mr RIPPER to the Minister for Commerce and Trade:**

I have a supplementary question. Apart from the letter, did the minister have discussions with Hon Murray Montgomery about the application by Porongurup Winery for headworks assistance?

**Mr COWAN replied:**

When I received the letter advising me of the financial interest in the winery, I was given advice from the member that an application would be made. The discussion terminated there.

#### EMPLOYMENT FIGURES

**152. Mr BRADSHAW to the Minister for Employment and Training:**

What are the current unemployment figures for Western Australia?

**Mr KIERATH replied:**

I am proud to say that the figures for this State have reinstated this State's position as the best in the country with unemployment at 6.5 per cent, taking into account that for the first time in several months, we are beating New South Wales. Their success has obviously been associated with work in preparation for the Olympics. The number of jobs created over the past year is in excess of 12 000. Most importantly, the total number of jobs created since this Government was elected in 1993 is 164 500, which is almost 15 000 more than our election promise of 150 000 jobs in our term of office. We on this side of the House are very proud of our record.

In relation to an answer the Minister for Education gave earlier, we have the highest participation rates in the TAFE sector and in vocational education and training in the country by a long shot. That is one of the reasons our young people are finding jobs. Our employment results show that as we provide more jobs, as can be seen from the 164 500 jobs created over the past nearly seven years, more people are going into the work force. Rather than sometimes parking themselves in the education system waiting for a job to materialise as the Government has provided those jobs, people have looked for them and taken them with open arms. That is a record of which the Government is extremely proud.

#### ABORIGINES, TRAINING AND EMPLOYMENT PROSPECTS

**153. Mr BRIDGE to the Minister for Employment and Training:**

Will the minister provide some information on programs to enhance the training and employment prospects for Aboriginal people in Western Australia?

**Mr KIERATH replied:**

I am pleased to inform the House, specifically the member for Kimberley who asked me what the Government was doing in this area, that a publication entitled "Aboriginal Vocational Education and Training and Employment Policy for Western Australia" has just been released. It is a new policy designed to cover VET as well as employment prospects. We believe it is certain to enhance the employment prospects of Aboriginal and Torres Strait Islander people throughout the State.

The Aboriginal VET and employment policy for Western Australia - I have sufficient copies for members if they want them - has been the result of extensive consultation and has been coordinated by the Aboriginal services branch of the Western Australian Department of Training and Employment and reflects the State Government's commitment to meeting the needs and aspirations of the Aboriginal people of this State. It is a major breakthrough and will fundamentally change how VET service providers do business with their Aboriginal clients whether they be individuals or communities or in the city, the country or remote regions such as the electorate of the member for Kimberly. This policy provides a framework for Aboriginal people to negotiate on VET and on their employment needs, and for how they can customise and tailor it to specific community and individual needs. It is a breakthrough. I believe we are the first State in the country to produce a policy such as this. The state Department of Training will monitor the implementation of this policy against the reporting requirements of the Western Australian strategic plan for Aboriginal education and training for 1997-99. This initiative further illustrates the Government's ongoing commitment to training and employment prospects for Aboriginal people, particularly young Aboriginal people.

#### METROPOLITAN HEALTH SERVICE BOARD - EXPENDITURE

**154. Ms McHALE to the Minister for Health:**

- (1) What was the expenditure by the Metropolitan Health Service Board for the first two months of this financial year?
- (2) What proportion of the annual allocation does this represent?

**Mr DAY replied:**

The Metropolitan Health Service Board has been able to provide me with its expenditure for only the first month of the financial year. Its figures for August are not yet finalised. However, for July the expenditure was \$97.339m. It is important to realise that it is not possible to extrapolate an idea of expenditure for the rest of the financial year from one month's expenditure because expenditure is not calculated on a month-by-month basis. For example, there are always higher admissions during winter months due to flu and similar illnesses and we expect more expenditure for that kind of treatment at that time. The total estimated allocation for the Metropolitan Health Service for this financial year is \$1 040.8m, a substantial amount from the budget. That assumes an allocation of \$18m from the elective surgery fund. In the end, that amount could be somewhat higher or lower.

#### NON-RESIDENTIAL BUILDING PROGRAM, BUNBURY-MITCHELL AREA

**155. Mr BARRON-SULLIVAN to the Minister for Works:**

I refer to the Government's non-residential building program - that is, the State's public works program - which is a vital component in any member's electorate to not only ensure quality infrastructure but also promote job creation. What is the extent of the current public works program in the Bunbury-Mitchell area?

**Mr BOARD replied:**

I thank the member for some notice of this question.

This year, our total capital works budget in Western Australia is approximately \$3.3b, a record for Western Australia. The public works component - that is, the non-residential building side - is \$397m, up \$59m on last year. I am proud to say that 37 per cent of the record amount of public works throughout the State is going to regional areas. Public works is a great job creator. We have just heard from the Minister for Employment and Training about the Western Australian employment figures and public works are delivering their part in this job creation. Some 80 per cent of public works is subcontracted, particularly to small and medium-size businesses, and the benefits flow down into the economy. For every \$1m spent, some 20 jobs are created directly and another 30 indirectly. As a result of the nearly \$80m which has been spent on public works in the Bunbury and Mitchell areas over the past couple of years, it is estimated that nearly 4 000 employment opportunities have been created, whether it be through schools, hospitals, police upgrades or roads - all of the public works in that area. Over the next financial year, this Government will contribute \$397m to employment growth, particularly in regional areas.

#### SCHOOL VOLUNTEERS PROGRAM

**156. Mr CARPENTER to the Minister for Education:**

I refer to the Governor's speech on the opening day on Parliament in which the only initiative foreshadowed to deal with literacy was the possible use of the school volunteers program. Would the minister be surprised to learn that the people involved in the school volunteers program say they were not consulted about this initiative, they do not see their role as taking responsibility for improving literacy and numeracy standards in government schools, and they do not want that responsibility?

**Mr BARNETT replied:**

Literacy is a priority in government. We have conducted year 3 and year 5 assessments which are one small part of measuring and identifying students with particular needs. The school volunteers program was referred to in the Governor's speech and may be something the Governor himself supports. In no way does that reflect the totality of education initiatives or even a small part of what is being done in the area of literacy.